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NEWS SUMMARY

GENERAL

Europe summit opens to-day

Leaders of 35 countries assemble in Helsinki today for a security conference which is due to end with a declaration recognising the post-war borders of Europe. For the U.S. and the Soviet Union it marks a major step in their policy of détente.

After an opening address by Dr. Kurt Waldheim, the United Nations Secretary-General, the first speech will be by Mr. Harold Wilson, who was selected by ballot.

The conference seems likely to be dominated by bilateral meetings between Eastern and Western leaders as well as intensive consultations within the Western Alliance. President Ford and Mr. Brezhnev, the Soviet Communist Party leader, are expected to hold at least two discussions on future U.S.-Soviet negotiations.

Malcolm Rutherford, Page 5

Labour MPs face clash

Mr. Anthony Crosland, Secretary for the Environment, expects difficulties at tonight's meeting of the Parliamentary Labour Party over his Finance (Special Provisions) Bill. Mrs. Lena Jeger MP will ask MPs to oppose all the amendments to the Bill, including that which retains a "election disqualification" on "Clay Cross-type" councillors. Mr. Crosland wants to avoid a major clash with the Lords. Back Page

Israel's UN warning

Israel warned that she would suspend operations by all UN bodies in Israel and the occupied territories if her delegation was not allowed to attend the next General Assembly. Page 7

Turkish offer

Turkey's ambassadors in Washington said their country is ready to negotiate an agreement with the U.S. permitting U.S. bases to resume operations in return for guarantees of military supplies. Page 6

Exodus swells

West Germany, France, Italy and Belgium ordered their nationals to leave Luanda amid fears of an alien civil war in the Angolan capital. Page 7

Prentice to rest

Mr. Reg Prentice, Minister of Overseas Development, said he was suffering from "a bit of exhaustion" following his struggle to retain his parliamentary candidacy at Newham NE and that his doctor had told him to cancel as many engagements as possible.

Old Lady's yacht

Mr. Marcus Lipton MP is to protest in the Commons at the "undefensible conduct" of the Bank of England in contributing towards the cost of a £100,000 yacht for use by its staff. The yacht, the *St. Morning Rose*, is a sister vessel to Mr. Edward Heath's first Morning Cloud.

Briefly...

The tote Jackpot at Goodwood was not won yesterday, guaranteeing a minimum pool of £10,000 for to-day. Racing Page 2.
Television commentator Mr. Robin Day is suffering from a broken jaw after being beaten up in a boxing ring, London, Street last Saturday night.
Judgment on the Attorney-General's attempt to prevent publication of the Crossman Diaries was deferred until October. Page 8.
The Australian cricketers suffered the second defeat of their tour when Leicestershire, led by former England captain Ray Illingworth, beat them by 31.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES	FALLS
AAH 128 + 7	Treasury 9 1/2 1980 .. 5921 - 1
Adams & Gibson 45 + 5	Funding 9 1/2 1982-4 .. 4742 - 1
Anderson Strathclyde 110 - 3	"Bals" .. 291 - 1
Baker Perkins 430 + 15	Chubb .. 80 - 3
Brokers Hill Prop. 44 + 3	De La Rue .. 135 - 6
City Office 44 + 3	Furness Withy .. 226 - 6
Clayton Dewarrie 32 + 6	Gillspur .. 28 - 3
Glenlivet 140 + 5	Goldfields Prop. 85 - 10
Johnson Matthey 270 - 5	Land Secs. .. 110 - 7
Stanhope & General 75 - 1	Lloyds Bank .. 100 - 9
F. & S. Supplies 240 - 20	Midland Bank .. 232 - 8
Grosvonts 182 - 20	Paterson Zochonis 300 - 40
M&M 206 + 8	Pearl Assurance 188 - 6
Monocore 450 - 10	Plessey .. 105 - 3
Noncontaminant 240 - 5	Rural International 105 - 3
Plat 240 - 5	Sun Alliance 380 - 7
Shell 240 - 5	Swan Hunter 30 - 5
Unicover 328 - 4	Unilever 328 - 4
Wool 240 - 5	BP .. 400 - 12
York 240 - 5	Peko-Wallend 290 - 10

BUSINESS

Firm start in equities fades as gilts slip

● **EQUITIES**, after opening firmer, declined with the lower opening in gilts. News of the Nigerian coup depressed companies with interests there. The FT 30-share index, up 0.9 at 10 a.m., ended 2.7 down at 291.8. Official markings were low at 4.744.

● **GILTS** were undermined by the latest rises in U.S. Treasury Bill rates. Although closing above the day's worst, shorts were as much as 1/2 down, while medium and long were anything from 1/2 to 1 lower.

● **STERLING** fell 10 points to \$2.1755; its weighted depreciation was unchanged at 25.6 per cent. Dollar's fall narrowed to 3.16 (3.23) per cent.—its best level since February 1974.

● **GOLD** gained 20 cents to \$167.50.

● **WALL STREET** failed to hold an early gain of 8.61 and closed down 2.97 on the day at \$24.86 on fears that Soviet cereal buying would mean higher U.S. food prices.



Silver reaches 14-month peak

● **SPOT SILVER** price on the London bullion market was fixed 12 1/2p higher at 236.1p a Troy ounce—the highest since May 1974. Page 21

● **U.S. FEDERAL RESERVE** Board chairman, Dr. Arthur Burns, warns that too great an expansion in the U.S. might trigger a new round of inflation and promises that the Fed will continue to control the increase in money supply tightly. Back Page

● **PAN AM** has lost its legal fight to pay higher commission rates to travel agents. Back Page

● **SINGAPORE** Finance Minister ordered an inquiry into the affairs of Haw Par Brothers International, because preliminary investigations suggested serious wrongdoing by some of the company's officers. Back Page 19

● **MR. SIMON KIMMINS** has relinquished his position as managing director of Thomas Cook and is leaving the group. Chief executive of Thomas Cook Inc. in North America, Mr. Kimmings is also going. Page 8; Men and Matters, Page 14

● **UBI AND TUC** will not voluntarily unite. The Government of pay settlements, leaving monitoring of the £6 limit solely to the Department of Employment. Page 8

COMPANIES

● **NEWMAN INDUSTRIES** take over of part of Thomas Pools and Gladstone China was ratified by Newman shareholders despite attempts by Prudential Assurance to defer consideration of the proposals again. Back Page

● **BRITISH AMERICAN TOBACCO** Company half year attributable profit rose from £56.23m. to £58.91m. Page 17 and Lex

Leaders of Nigeria coup name new head of state

BRIDGET BLOOM, AFRICA CORRESPONDENT

General Gowon, the Nigerian head of State, has been deposed. In a dramatic broadcast last night, Nigeria Radio announced that his successor was to be Brig. Murtala Muhammed, who until yesterday was in charge of signals for the Nigerian armed forces.

The announcement that Brig. Muhammed, an officer who played a key role during the Nigerian civil war, was to take over from Gen. Gowon came just over 12 hours after the radio had declared that Gen. Gowon was no longer head of State.

The first broadcast, at 8 a.m. yesterday, was made by an army officer named as Lt-Col. Joseph Namvam Garba, who had announced that the Nigerian armed forces had decided to change the leadership.

From now on, General Yakubu Gowon ceases to be the head of the federal military Government and the commander-in-chief of the armed forces of Nigeria," the broadcast announcement said.

While last night's announcement gave nothing more than the bare bones of Brig. Muhammed's appointment as head of state, the fact that such a senior officer has taken over suggests that the coup-makers have support in the upper echelons of the Nigerian army.

However, Brig. Muhammed, a Moslem Hausa from the country's north, has long been a controversial figure in Nigerian army circles.

Widely believed responsible for an important Federal defeat at Onitsha during the civil war, his name has often been mentioned in connection with a coup against Gen. Gowon have circulated in the past.

Generally feared for his toughness, his appointment seems certain to be as much a cause of dissonance as the role he has

played in the past. The fact he is from the Moslem north is unlikely to endear him to the southerners, although much will depend on what sort of government appointments he may make.

While there was, as of last night, little information available, the possibility of some form of counter-measures from within the army appeared by no means unlikely.

Later, army, navy, air force and police chiefs were meeting

with Brig. Muhammed last night at supreme headquarters in the capital.

Gen. Gowon himself heard the news of his deposition in the conference hall in Kampala where the Organisation of African Unity is holding its annual summit. One of his aides brought in a news agency message while a United Nations Industrial Development Organisation representative was speaking from the rostrum. He is reported to have looked shocked.

Remained in his seat for a few minutes, and then left the hall for a hurried conference with members of his large delegation.

When he returned to the conference hall, refusing to talk to journalists, Gen. Gowon briefly shook hands with President Amin of Uganda, the OAU chairman, and then went back to his

hotel. There was no further comment from him, or from the Nigerian delegation, although at different stages yesterday it was reported that he intended to fly to London (where his family is at present on holiday), or to Cameroon, which borders Nigeria to the east. Late last night, however, he was reported still in Uganda.

Commenting on the Lagos broadcast, Mr. David Ennals, Minister of State for Foreign Affairs, told the House of Commons yesterday afternoon that the Government had "no reason to believe on the scanty information so far available, that British subjects have been adversely affected by this morning's events."

The 15,000 British subjects in Nigeria had been told to observe the dusk-to-dawn curfew imposed, not to move about too much and to keep away from airports, reportedly heavily guarded.

Mr. Ennals, who was replying to a private notice question, from Mr. Christopher Tugendhat (Cities of London and Westminster) agreed that Nigeria was extremely important to Britain in investment and trade terms. British investment, outside oil, amounts to some £250m., while the country is the fourth largest exporter of oil to the U.K. and a large holder of sterling.

While several times in the five years since the end of the Nigerian civil war there have been rumours of possible coup d'état in Nigeria, more recently these seemed to have

Kearton named chairman of State oil corporation

BY ADRIAN HAMILTON

LORD KEARTON, who last week announced his retirement from Courtaulds, is to become chairman of the new British National Oil Corporation.

Announcing this in the Commons yesterday, Mr. Anthony Wedgwood Benn, Energy Secretary, said that Lord Kearton, aged 64, would also chair the organising committee which will set up the corporation once the Petroleum Bill establishing the corporation is passed in Parliament.

The development, although rumoured for a week, still comes as something of a surprise to the oil industry and to politicians, who had assumed that the Government would seek a basically political figure as chairman.

Lord Kearton, who has been chief executive to take charge of the controversial State oil company.

Formidable

As it is, the appointment of so formidable an industrialist to the post of chairman will leave no doubt the type of chief executive to be chosen and the relationship between the two posts.

It is believed, however, that the Government is looking for

a chief executive with oil industry experience, although a spokesman for the Department said that the nature of the appointment had "yet to be decided."

The appointment of chairman follows several months of negotiations between the Government and various candidates for both positions. Among those approached are thought to have been Mr. Dennis Rooke, deputy chairman of the Gas Corporation and a leading figure in the development of the gas industry's North Sea associations, and Dr. J. Wylie of Gulf.

Decisive

Despite continuing uncertainty over the executive role, the appointment of Lord Kearton marks the initial decisive stage in setting up Britain's first state oil company, which is to become the major instrument of Government control and supervision of North Sea development through its planned majority shareholding in off-shore oil fields.

Lord Kearton has already played a major role in public policy as first chairman of the Industrial Reorganisation Corporation under Mr. Wilson's first Government, and as a long-time member of the Atomic Energy

Doubts

Although the BNOC will start off with the whole of the National Coal Board's substantial North Sea interests, participation negotiations have not been completed with any of the oil companies, nor has the Government yet made clear how far it wishes the Corporation to undertake an active role of its own in exploration, refining and marketing.

Talks with more than a dozen companies with interests in commercial oil fields have been started, and the Government hopes that "heads of agreement" can be signed with BP by the time the Forties Field starts production in October, and that several U.S. companies, including Gulf and Conoco, will accept the principle of participation within the next few months.

But officials concede that talks could take a longer time, and there remain several major groups, such as Shell and Exxon, which have yet to be tackled. Parliament, Page 11

Electricity Council's £257m. loss

BY PETER FOSTER

STRONG CRITICISM of "Government interference" in pricing policies came yesterday from Sir Peter Kenzies, chairman of the Electricity Council, when he confirmed that the council's loss last year was £257.6m.

The council's report states that the record loss was the consequence of having to continue to underprice electricity in a time of accelerating inflation. Sir Peter said the council hoped to break even in the current year.

While welcoming the Government's declared intentions to support more "realistic" pricing, he warned that any return to former policies of artificial restraint would represent "the road to financial disaster."

But he admitted that economic pricing would be a shock and add additional burden, particularly to domestic consumers.

The report criticises the Government's insistence that this year's increases—which will mean the doubling of electricity within two years—should not fall as heavily on smaller consumers.

right for them to inquire into the personal circumstances of primary fuels.

Both the Electricity Council and the Central Electricity Generating Board are particularly keen to make their views on prices clear to Mr. Anthony Wedgwood Benn, Energy Secretary, who is due to give evidence on pricing policy to the Commons Select Committee on nationalised industries to-day.

The council's loss of £257.6m. was made up of combined losses of £218.9m. from the 12 area boards and £38.7m. from the CEGB.

Total turnover was up from £1.75bn. to £2.43bn., almost entirely as a result of higher prices, but although operating profit was £127.8m., against £162.7m. in the previous year, interest (up from £339m. to £385.5m.) turned this into an overall deficit of £257.6m.

The Government is expected once again to provide compensation to cover the council's loss, although new legislation is necessary, since the £500m. which the Government set aside under last year's Statutory Corporations (Financial Provisions) Act has now been used up.

The industry's problems this year have all sprung from the

large increases in the price of primary fuels.

Mr. Arthur Hawkins, CEGB chairman, pointed out yesterday: "The Board used only 2 per cent. more power station fuel in 1974-75 than in the previous year, but its total fuel costs went up by 70 per cent., or nearly £500m."

He stressed that the huge price increases had endangered some of electricity's markets and in particular emphasised the implication of this for the coal industry.

The Board estimates that its fuel consumption this year will be around 86½ mce (million tonnes coal equivalent), some 6 per cent. below last year.

However, it is projecting that most of this reduction will fall on oil, of which 23.7 mce will be burned against 20.5 mce last year. Coal consumption is projected to rise from 64.8m. tonnes to 66.9m. tonnes.

Mr. Hawkins stressed that present coal stocks were already high at 16.4m. tonnes and that if the NCE wanted the CEGB to hold any more, they would have to compensate them for the heavy financial outlay involved.

Electricity Council Annual Report, 1974-75, Electricity Council, 30 Millbank, London, SW1P 4JZ. CEGB Annual Report and Accounts 1974-75, CEGB, Sudbury House, 15, Newgate Street, London, EC1A 7AU.

BSC wants to save more than £100m.

BY LORELIES OLSLAGER

BRITISH STEEL Corporation yesterday told trade union leaders that it needs to save more than the initially envisaged £100m. in labour costs this year in view of the record loss it expects to suffer.

In talks with representatives of the trades union iron and steel committee, Corporation officials proposed a massive cut in the labour force through natural wastage and voluntary redundancies.

The unions in return were fighting to keep the loss of jobs as small as possible. They want to avoid any massive run-down of the labour force because they fear that BSC will be unable to profit from the next cyclical upswing in demand if too many men are shed now.

But the unions are not denying the need for economies in the present recession. One of the concessions they could offer BSC would be a change of the guaranteed working week provisions under which steel workers get 80 per cent. of their basic earnings even if temporarily not occupied because of recession.

BSC was doing its best not to provoke an open clash with the unions by insisting that jobs need not be eliminated through dismissals. According to one official the Corporation has a high labour turnover and 20 per cent. of the workforce tend to leave in any one year. If none of those leaving were replaced for a period of 12-18 months this could lead to the elimination of 40,000 or more jobs—double the figure mooted by BSC in the spring prior to working out an alternative programme with the unions.

Mr. Bob Scholey, the Corporation's chief executive, also made the point—repeatedly put to the unions before—that the six-point plan was in any case not bringing the desired results. The Corporation reckons that savings are now running at an annual rate of around £60m. compared to the £250m. loss expected in the coming year.

Yesterday's talks took place under the shadow of the announcement expected within the next two days on the future of steelmaking in Scotland and at the Shotton plant in Wales. A decision on both had been postponed by the Labour Government in its initial review of BSC's 10-year development strategy.

£ in New York

	July 29	Previous
Spot	\$2,176.170	\$2,160.190
1 month	0.96-0.61 dis	0.95-0.60 dis
3 months	1.39-1.04 dis	2.02-1.80 dis
12 months	7.70-7.50 dis	7.70-7.60 dis

Laker will fight to keep Skytrain

BY MICHAEL DUNNE, AEROSPACE CORRESPONDENT

MR. FREDDIE LAKER, chairman of Laker Airways, is to fight in the courts if necessary, a decision by Mr. Peter Shore, Secretary for Trade, to scrap the licence for Laker's low-fare, no-reservations Skytrain service to the U.S. in which Laker has invested £31m.

The decision was announced by Mr. Shore yesterday, as part of the results of the Government's civil aviation policy review, which also includes such other major decisions as:

- 1—The ending of competition between British Airways and British Caledonian Airways on long-haul scheduled services. This means that BCAL will not now be able to go back over the North Atlantic, and will lose its rights to New York, Los Angeles, Atlanta, Toronto, Houston, and to Bahrain/Singapore.
- 2—The introduction of a "Spheres of Influence" policy for long-haul scheduled services, in which BCAL is confined to West African and eastern South American routes. A "limited" further exchange of routes between BA and BCAL to help promote this new policy is envisaged.
- 3—New policy guidelines will be given to the Civil Aviation Authority, embodied in changes to the Civil Aviation Act if necessary. A White Paper setting out the Government's plans in detail is to be published in the autumn.

In addition, BCAL is confirmed as the major "second force" airline in the U.K., and can continue with its present U.K. domestic and European short-haul operations, and will be able to fly non-scheduled services throughout the world. The Government does not intend to take any kind of financial stake in BCAL, so this airline is effectively left to survive on its own commercial policies, within the constraints of the new guidelines to be given to the Civil Aviation Authority.

Mr. Laker's Skytrain plan envisaged a single fleet of 150 between Stansted and New York, with no advance booking and passengers taking their chance of getting a seat. This rate compares with the cheapest existing available fare—the Advanced Booking Charter rates—which range from as low as £35 London-New York return in winter to around £100 return in the peak summer period.

A bitterly angry Mr. Laker, who was in the room when Mr. Shore revealed his decision at a Press conference, immediately made it clear that he would fight the Minister all the way. "We still hold a licence," he declared, "and any changes in the policy guidelines have to be approved by Parliament. Before they become law, there has to be a debate."

"I will continue to be a buccannier, and I can assure Mr. Shore and all who think like him that Skytrain will remain on the books until the day I die. Mr. Shore made it clear that in his view, for the foreseeable future there would hardly be any routes on which the U.K. could hope to introduce a second British airline," on terms which might enable us to increase size."

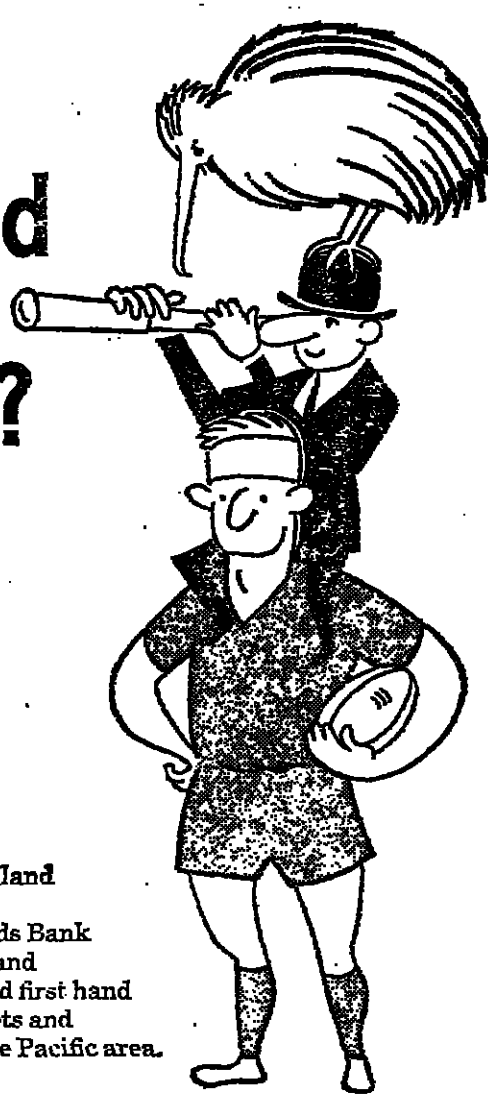
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2 LOMBARD

Cost of avoiding import controls

BY C. GORDON TETHER

THE INTERNATIONAL Monetary Fund expresses considerable gratification in its annual report on exchange restrictions at the fact that the slow-down in world growth and the widespread swing into payments deficit produced by the oil price explosion have prompted "only moderate rise in the use of import controls."

Since the Fund has always had a bit of a thing about interference of this particular kind, this is — up to a point — understandable. Yet it has to be asked whether the alternatives on to which so many countries have turned for relief from these problems are not calculated to have even more unfortunate consequences for the general economic well-being of the world in the longer run.

There was, the Fund admits, an increase in reliance on quantitative and cost restrictions on imports during the year covered by its annual probe — the 12 months to the end of March last. It goes on to say, however, that the "actual intensification of such restrictions was restrained." It clearly takes the view that, bearing in mind the exceptionally strong demand for many commodities, the use of such measures is a matter for great satisfaction.

New threats

If the use of quantitative and cost restrictions on imports was the only bad habit they could espouse, this would certainly be entirely appropriate. But it is not. And, indeed, the main reason why so many countries have managed to get by so far without travelling far down this path is that they have elected to make use of other ways of facing up to the new threats to economic health.

One consists in exploiting the fact that the currency markets are now operating on a floating basis to achieve through exchange rate manipulation the desired improvement in the balance of payments or boost to domestic economic activity. Many industrial countries have already succeeded in eliminating the massive payments gaps they developed in the wake of the quadrupling of the cost of their oil imports. This notwithstanding the general commitment to learn to live with them rather than off-load them on to others.

Their insistence on ordering their international payments affairs in such a way as to establish the rate of exchange best suited to restore overall payments equilibrium clearly goes a long way to explaining why this has happened. Yet the

effect has been to leave the world much more vulnerable to the return of the great bugbear of the 1930s — exchange rate warfare.

Then again, as the Fund's report itself points out, many of the primary producing countries managed to avoid using import restrictions to cope with the deterioration in their external payments only by resorting to greatly increased external borrowing. As is now becoming apparent, this postponement of the day of reckoning has in many cases been purchased only at the cost of making it a much more painful affair when it does arrive.

Moreover, there is an obvious possibility that the inability of some of these countries to grapple with their external indebtedness crises will have serious implications for that crucial centrepiece of the international financial system — the Euro-currency market.

Finally, as the British story is vividly pointing up — in the case of countries in the weakest payments positions, the determination not to resort to import restrictions to find relief is often going to mean that they will be acting as a brake on the revival of world economic activity for far longer than would otherwise have been necessary.

It is a fact that Italy, which had launched a direct attack on import excesses a year ago, has already achieved such a striking payments recovery that the authorities there are now in a position to encourage re-exportation. By contrast, Britain, which insisted on sticking to the orthodox line throughout, is all set for a new plunging into recession.

Flexibility

There has long been a much stronger case than the IMF has ever been prepared to admit for encouraging the temporary use of import restrictions for containing balance of payments problems. If Britain had not been discouraged from dealing in this way with its problem of preventing imports outstripping exports during the initial phases of her attempts to develop a sustained growth strategy, she might well have avoided being permanently cast in the role of the sick man of Europe.

Now there is a greater need than ever for flexibility in the formulation of economic strategy. So the approach to import restrictions needs to be fundamentally revised — starting from recognition of the proposition that many of the alternative ways of dealing with payments disequilibrium now in use are capable of having deleterious consequences of a much more serious order for the economic health of the world at large.

RACING

BY DOMINIC WIGAN

Bolkonski for hat-trick

BOLKONSKI, who proved there was no semblance of a fluke about his half-length, 2,000 Guineas victory over the subequently unseated Grindby, when outclassing the opposition in the St. James's Palace Stakes at Royal Ascot, will be an automatic choice for many in to-day's Sussex Stakes (3.45).

Henry Cecil's powerfully-made ex-Hillall colt could hardly have been more impressive in the St. James's Palace, his only race since the Newmarket classic.

Fourth turning into the short Ascot straight, Bolkonski needed only one reminder just inside the quarter-mile marker to get into top gear and forge clear of his seven rivals, headed by the consistent but luckless Royal Maniac.

A reproduction of that Ascot running should enable Bolkonski, who will be well-served by this track to gain another clear-cut success.

Rose Bowl, reportedly back to her fine form of early spring, is preferred to the game July Cup winner, Lianga, who would prefer a shorter trip, for the forecast.

Whatever his fate on Rose Bowl, Lester Pigott is unlikely to be a factor in the Newmarket event.

GOODWOOD
2.00—Maldeform
2.50—Hittite Glory
3.05—Romelko
3.45—Bolkonski
4.15—Hot Spark
4.45—Don Fortune

REDCAR
2.00—Turkey Trot
2.35—Claudio Nicolai
2.10—Dakota
3.40—Dream Jaws
4.15—West Wind
4.45—Polecat

Ring, who was far from disgraced when fifth, only one and a half lengths behind Lianga in the July Cup, on his most recent appearance.

With Ribboob an absentee from the Richmond Stakes (3.30), the way seems open for Hittite Glory to follow up his comfortably-gained Fulbourn Stakes success at the July meeting.

This colt, owned by Hot Spark by Mr. Tikhoo, had trained by Scobie Breasley at Epsom, kept going strongly to land the 19-runner Fulbourn Stakes from the heavily-backed favourite Trainer's Seat, and has a capable and a great deal of further improvement.

In a typically open race for the "Goodwood" Stakes (3.05), Reing Beau and Alan Bone, who finished year ago, seems sure to go close despite a rise of 24-lbs. in the weights, but I doubt the gelding's stamina, now returning to his best after a disappointing early season spell.

At to-day's only other meeting, Redcar, where Dakota can for a sixth course win in the Redcar Gold Trophy (3.10), Claudio Nicolai is a confident choice for the Rear Silver Salver (2.35).

SALE ROOM

BY MICHAEL THOMPSON-NOEL

Desultory end to London season

WITH THE London auction houses moving quietly towards their summer recess—the London season ends on Friday—the sales this week are mainly of a desultory kind.

Sotheby's, for example, addressed itself yesterday to Victorian paintings, drawings and watercolours; mainly forgettable landscapes by artists like John Gurnon, Atkinson, Benjamin, William Leader and Abraham Hink. The sale totalled £30,919, including £950 for Henrietta Rosner's *A Cat and Kittens*, a small but archetypal example of Victorian domesticity.

Christie's, for example, addressed itself yesterday to a Louis XVI octagonal gold snuff box by Jacques-Joseph de Gault, probably a present from Catherine the Great, and £1,280 for a Viennese crystal covered with straw, bought by the London dealer Knapman.

A Christie's sale of English and Continental glass amounted to £23,973 and a group of printed glassware together with two decanters made a total of £4,360.

At Phillips, a furniture sale totalled £44,765, including £2,900 for an important 18th-century Venetian marquetry bureau cabinet and £2,400 for a George III mahogany partners' pedestal desk, while a sale of books totalled £17,703, including £3,000 for a *Voyage Around Britain* by William Daniel and Richard A. Horsley in eight volumes. A *History of the Royal Society* by John and Josiah Boydel in two volumes fetched £1,500.

At Sotheby's central sale room in New Bond Street, a sale of European 18th-century furniture totalled £23,800, including £1,000 for a large blue, green, orange and yellow Deruta drug jar (early 18th century), bought by Holgar, and £590 for a rare Rococo faience melon, a tureen and a vase painted with a scene of a woman by Adam Ludwig, which went to Stodel. A pair of large French vases from around 1830 sold for £540 to Graham and Oxley.

In the second part of a sale of printed books at Sotheby's, a rich record of two sets total of £23,795, Goldschmidt paid

to £23,973 and a group of printed glassware together with two decanters made a total of £4,360.

At Phillips, a furniture sale totalled £44,765, including £2,900 for an important 18th-century Venetian marquetry bureau cabinet and £2,400 for a George III mahogany partners' pedestal desk, while a sale of books totalled £17,703, including £3,000 for a *Voyage Around Britain* by William Daniel and Richard A. Horsley in eight volumes. A *History of the Royal Society* by John and Josiah Boydel in two volumes fetched £1,500.

At Sotheby's central sale room in New Bond Street, a sale of European 18th-century furniture totalled £23,800, including £1,000 for a large blue, green, orange and yellow Deruta drug jar (early 18th century), bought by Holgar, and £590 for a rare Rococo faience melon, a tureen and a vase painted with a scene of a woman by Adam Ludwig, which went to Stodel. A pair of large French vases from around 1830 sold for £540 to Graham and Oxley.

In the second part of a sale of printed books at Sotheby's, a rich record of two sets total of £23,795, Goldschmidt paid

N. Sea helicopter service link

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH Airways Helicopters has linked with the Hamburg-based Hel-Air to form a new helicopter company for off-shore drilling support services in the German sector of the North Sea.

The company, KG Nordsee, will have its base at Wilhelmshaven and will use a Sikorsky S61N helicopter. The company is already negotiating with several off-shore drilling operators for long and short-term contracts in the newly-developing German exploration sector.

Experienced staff will be employed from both Germany and the U.K. Eight crews will come directly from the German sector of the North Sea where they have been operating a similar service for many international oil companies from the East coast of Scotland.

Captain Jack Cameron, managing director of British Airways Helicopters, is a director of Nordsee.

GARDENS TO-DAY

Blackcurrants in profusion

BY ROBIN LANE FOX

TRouble-free gardening has always seemed to me to be only a slogan by which the hopeful sell their gardening books. There are very few plants, least of all the plants in a wild garden, which are not better than a garden. The weight of their fruit, and although their bunches retain the blackcurrant's habit of ripening irregularly, from the outer current on the cluster to the inward, have been brilliant. The past two weeks have made me doubt this. The blackcurrant is to blame.

Ray of light

So much is it to blame that I look back over a summer which will go down as one of the gloomiest for British politics, society and economics and wonder if life has ever been so good. My gardening can take no credit for this.

Taking over a new patch of vegetable garden, I have been delighted by my efforts at improvement. The strawberry plants may have been antique, but they did not respond to my dividing, mulching and weeding, not only because the net lay too close through them during the drought in June.

I am going to replant with the newer perpetual fruiting strawberries for next season, available under the names of *Grande* and *Gento*. I would strongly recommend other weary owners of Royal Sovereign to consider doing likewise.

These newer varieties really do fruit through from June until autumn, properly coloured and juicy. If you can persuade a local nurseryman to let you eat a fruit or two of them while they are still in season, you would be sensible. Their taste is not quite the taste which Royal Sovereign has accustomed us to expect of a strawberry, but Royal Sovereign itself is far removed from the true taste of wild strawberries, the best of all, in my opinion.

Nobody could call a strawberry trouble-free, but efforts at tending it had not improved the crop. The raspberries, too, have not been noticeably better for a week's concerted mulching, and it was bad luck that some roots of bindweed happened to have found their way into the compost used for the purpose.

A poor year, I would have recorded in my diary, had I not stepped backwards from the last of the raspberries came into a patch which I had abandoned for this year to nettles and long grass and fern, between stings of the luscious crunch of the strawberry. There was also, that peculiarly subtle sting of a blackcurrant.

length-of-about-a foot-and-putting them into a line suddenly about foot apart, bundling them for a third of their length. They root extremely freely and fruit prices being what they are you should certainly find a currant-growing friend—before reaching for a nursery catalogue. After one year's growth they can be moved in October, to their permanent home.

Be sure to be very generous with manure. The blackcurrant, with its appetite for the gardener's appetite for a crop. If possible, dig in a thick dressing before you plant your bushes, spacing them at least six feet apart. Top them up with further dressing of manure each spring. I agree I did not do so last year, but bushes were probably living off past attention.

A third reason for their success is probably fortuitous. When the blackcurrant flowers, it needs no companion to fertilise it, and a single bush, if (say) you have one of those small shaded town gardens which I am always fathoming on you in the garden, will give you a heavy crop. But its flowers often coincide with frost, which spoils them. No flowers mean no fruit, so try to site your blackcurrant in a cool but sheltered place. The logic in leaving a net over it throughout the year, both as a defence against birds and as a string vest of insulating air-pockets against the final degrees of spring frost.

Big and juicy

The old Boskoop Giant is big, juicy and abundant, the variety which will extend the season until late August. If you prune them every so often, and manage them well at the start, it only remains for me to suggest that you put your own towards a pound and put a pencil through your diaries in the higher interest of currants from ripened wood to a profusion in July and August.

TELFORD RENTS RISE 25%

Rents of Telford Development Corporation and Shropshire tenants will rise by 25 per cent, from September 4, with variations for garages.

The 1,400 tenants are being informed this week that the Department of the Environment has told the Corporation that, taking one year with another, it must meet its rising revenue account in balance, like the District Council.

LANGUAGE HELP FOR DOCTORS

Courses to help overseas doctors with their language difficulties have been organised in the department of linguistics at Lancaster University. They are based on the language requirements of doctors in casualty departments.

After trial by groups of doctors at four colleges of further education this autumn they will be available for teaching on a national scale. Among other things, the courses aim to make foreign doctors aware of the innuendoes of patients' speech.

TV/Radio

† Indicates programme in black and white.

BBC 1
10.05 a.m. Hooters House. 10.10 Daktari. 1.30 p.m. Camberwick Green. 1.45 News. 2.15 Glorious Goodwood. 4.25 Regional News (except London). 4.35 Play School. 4.45 5.55. 6.15 Yeo, African Prince. 6.45 Str. Panchito. 7.00 News. 7.10 Wednesday Film: "The Painted Hills," starring Lasse.

BBC 2
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 3
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 4
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 5
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 6
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 7
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 8
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 9
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 10
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 11
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 12
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 13
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 14
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 15
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 16
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 17
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 18
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 19
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 20
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 21
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 22
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 23
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 24
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 25
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 26
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 2
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

BBC 3
6.40 a.m. Open University. 10.35 Nal Zindagi Naya Jeevan. 10.45 Scotland. 10.55-11.05 Breathing Space. 11.15 Scottish News Summary. 11.45 News. 12.15-12.30 Northern Ireland News. 12.30-12.45 Scene Around Six. 11.55 Northern Ireland News Headlines. 12.45-1.00 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands. To-day (from Birmingham). Look East (from London). South. To-day (from Southampton). Spotlight (from Plymouth).

Murder at the Vicarage

Murder at the Vicarage is public scholastic straight from the back of the head, sitting at the desk in the vicar's study, and most of the company would have been glad to have despatched him. His wife was in love with someone else. Miss Marple was about to be evicted from her cottage. The vicar was being harassed over the church accounts, the colonel being a churchwarden. Mary the maid had a boy friend who was a persistent poacher. Lawrence Redding, a local artist (Derrick Gilbert), is a rouse and an obvious secondhand after all the girls, the kind of man who would shoot a colonel as soon as look at one. Even the vicar's wife turns up in the wrong place at the wrong time, and is too calm about the murder in her house to please some of the neighbours.

The clues are, in fact, dealt round among the characters like cards in a poker hand, the common Christie formula. I never felt the slightest curiosity about the identity of the culprit, because I didn't believe a single word of what was going on. But I have to believe that plays as awful as this are constantly provided to attract the audiences in our repertory theatres; indeed, that they attract audiences more readily than Ghosts or Candida or Antony and Cleopatra or The Caretaker. And this desperately sad, and would gladly watch another 1,000 words on the subject, but my space is filled and the business has had enough attention for one occasion.

I should mention that the seats at the Savoy are cheaper for this production than is general in the West End at the moment.

B. A. YOUNG

Most of these are mere stage-dressing, though. At the centre of things we have the indestructible Miss Marple, heroine of ten novels and a dozen short stories, the eternal busybody whose irrepressible spying on the neighbours in her village enables her to spot the murderer and, by laying some confusing trails, trick him into a confession. Barbara Mullen plays Miss Marple with a range of movements that look as if she had borrowed them from another actress in another part altogether. She bounces up and down on her heels and flips her arms about in vigorous gestures that seldom seem to have anything to do with what she is saying; yet underneath it all she is still the same quiet middle-aged lady with an Edinburgh Mornington accent that we see and love on our telly screens. When she has an important deduction to announce, she comes downstage and announces it to the stalls.

There is, of course, little that I may tell you about the plot. It is founded on the problem of who killed the colonel. The colonel was found shot through



Topol and Keith Michell as Othello and Iago in the Chichester production of 'Othello,' which opened last night

Theatre Upstairs

Sex and Kinship in a Savage Society

by MICHAEL COVENEY

The scene is a psychiatric ward where a history teacher, because he represents a potent being committed after being sexually corrupting young boys, found guilty in a court of law of the under the age of consent, Colin (Toby Bell) is visited by his mother, sister and brother-in-law. They arrive in a flurry of embarrassment and outrage and stay to participate in a cool dissection of the sociological and historical impulses behind Colin's crime. Brian (Robert Putti), of hatched features and slow wit, mumbles about abnormality and the suppression of the unbalanced instincts. His wife, Beryl (Lynn Farleigh), is visibly upset and repelled by the thought of her brother's proclivities. While Mother (Doreen Mantle) treats the whole affair as another excuse to fuel her whining self-pity.

The title of Michael O'Neill and Jeremy Seabrook's piece is a fair indication of the play's territory. And Colin, who engineers what little energy there is in the play with an angry diagnosis of society's failure to assimilate him, comes across as a stammering, righteous victim of his own upbringing both at home and at school. Education is an analgesic to the dictates of capitalism, we suddenly hear him proclaim before pleading (with not very much plausibility) that he is drawn to children.

Glyndebourne

Così fan tutte

by RONALD CRICHTON

For the final clutch of performances of *Così fan tutte* at Glyndebourne this year there is a completely new cast. Young singers mostly, of a kind which ought to add up to a performance in the best tradition of the house but (to judge from Monday evening's singing) do not quite make it. There are good elements. Two of them come from France, a country not always regarded as a home of the Mozartian style. Danielle Perriers from the Opéra in Paris has been heard at Glyndebourne before, as a sharp, respected Blonde in *Die Entführung*. Her Deslina in *Così* may not please those who see the girl as a dear little rogue, but will support those others who find her an interfering vengeful, hard-boiled Neapolitan, contemptuous of the provincial ladies who pay her wages.

Miss Perriers started shrilly, but by the first act finale she was producing the brightest, most secure tone of any member of the cast, rivalled only by the French baritone, making his debut in Britain, has been praised on this page before now. Luzzatti's sets are surely the least remarkable of his Glyndebourne achievements. Fine and beautiful, but the lighting of Robert Bryan has been toned down elegantly, twinkling reading, a little short on bite and half-hearted on the most avoidable kind of sea-side boutique. Up to the last scene the sisters' clothes are the opera's moral. Here Mr. Perriers' forward, burnished tone went pinched and his manner wanish.

Of the pairs of lovers, the mezzo and baritone were stronger, a fact that lent some of the music an unwonted Brahmsian air. Sylvia Lindenstrand (another British debut) was almost too forward in her "Smile, my dear," after which she gained steadily in confidence. Her singing of Dora-

Television

New runs round old courses

by CHRIS DUNKLEY

What with summer holidays, Wimbledon, and the Big PR Party in The Sky, this column has been in danger of allowing a whole collection of new series to slip away without notice, so something of a blitz has become necessary this week. In a normal summer season we expect a relaxing succession of old favourites, repeats, and slow because an awful lot of what cricket matches fought resolutely is marked "new" is like

detergent and breakfast cereal—the same old stuff poured into new packets. Just as with breakfast foods and soap powders, those products which long ago proved their own high quality or popularity, or both, do not need redesigned packaging; they can rely on their reputation.

Thus *Yesterday's Witness* has come back to BBC2 on Sunday nights, without any great fanfare or fancy new titles, but with some fascinating stories to tell of events which took place within living memory. Though it is never overtly partisan in a political sense this series often manages the useful service of disinterring ideas which have somehow become enshrouded in our society as received truths and holding it up for another inspection. During this week's programme on the Liverpool police strike of 1919 not a single ex-habitant of the Liverpool slum was heard to say that "our policemen are wonderful".

Let's set the scene now for a catch; enter the vixen! In spite of all that Ashby made it more engrossing than most television programmes, and I have high hopes of Maurice Tiber's film on the cuckoo-to-morrow.

On the other hand, another new series which started on the same channel on the same night—Robbie—is an example of an elderly material popped into a new packet: Fyfe Robertson is making a feature of his own longevity (apparently) during these half hour reviews of such things as the motor car and the aeroplane. He is one of the most relaxed non-fiction performers of the small screen, and if you like his style you will like this series; if not, not. Try standing in front of a mirror, leaning forwards, and frowning while saying in a broad Scottish accent with equal spacing between the words "But there's another kind of pollution, and God!—listen to it, NOISE!" If you like the effect you may well like Robbie.

It is commercial television, however, which is most heavily involved in pushing forward New! Improved! products with Added Miracle Ingredients! For instance ATV have taken *Emergency Ward 10*, laced it with a modicum of social concern, and renamed the series *General Hospital*. Like Granada's *Crown Court*, which is now given an hour on Saturday evenings, this series first appeared in an afternoon slot when daytime television was a growth area. It was always said that Sir Lew Grade, the man who determined the content of ATV, was determined to get it back in an evening position, so it is hardly a surprise to find it going out now at 7.30 on Fridays. Nor is it being both hectoring and twee startling—if you have come to watch *Emergency* carefully now...

Let's set the scene now for a catch; enter the vixen! In spite of all that Ashby made it more engrossing than most television programmes, and I have high hopes of Maurice Tiber's film on the cuckoo-to-morrow.

On the other hand, another new series which started on the same channel on the same night—Robbie—is an example of an elderly material popped into a new packet: Fyfe Robertson is making a feature of his own longevity (apparently) during these half hour reviews of such things as the motor car and the aeroplane. He is one of the most relaxed non-fiction performers of the small screen, and if you like his style you will like this series; if not, not. Try standing in front of a mirror, leaning forwards, and frowning while saying in a broad Scottish accent with equal spacing between the words "But there's another kind of pollution, and God!—listen to it, NOISE!" If you like the effect you may well like Robbie.

It is commercial television, however, which is most heavily involved in pushing forward New! Improved! products with Added Miracle Ingredients! For instance ATV have taken *Emergency Ward 10*, laced it with a modicum of social concern, and renamed the series *General Hospital*. Like Granada's *Crown Court*, which is now given an hour on Saturday evenings, this series first appeared in an afternoon slot when daytime television was a growth area. It was always said that Sir Lew Grade, the man who determined the content of ATV, was determined to get it back in an evening position, so it is hardly a surprise to find it going out now at 7.30 on Fridays. Nor is it being both hectoring and twee startling—if you have come to watch *Emergency* carefully now...



Donald MacLeary and Lynn Seymour in Kenneth MacMillan's ballet 'Symphony,' revived last night at Covent Garden

'Bartlemy Fair' in Berkshire

Theatre at the Park is in present *Bartlemy Fair*, a Victorian adaptation of Ben Jonson's *Bartolomeus Fair*, with script adapted by Roger Savage, music by Mike Westbrook and directed by John Cunniff, from August 6-7 at South Hill Park, Bracknell.

King's Lynn Festival

Bennett Oboe Quartet

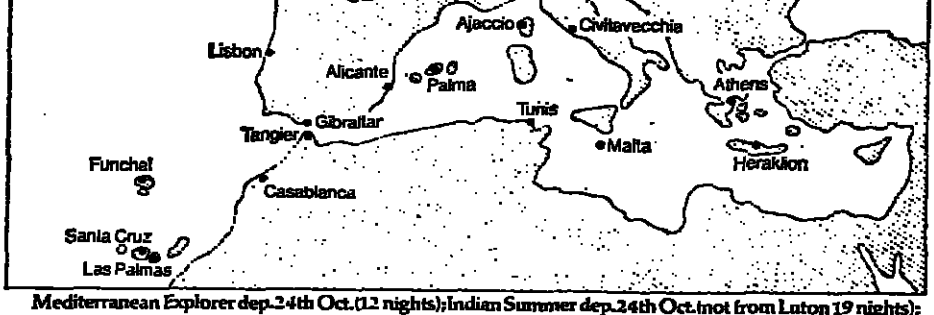
by MAX LOPPERT

To a possibly jaded London eye, the exhibitions (and of course the town itself) are more interesting at the 25th King's Lynn Festival (July 25-August 2) than the musical events.

A wonderful set of Whistler Venice etchings at the Fermoy Gallery; an enchanting excursion into 19th century technological fantasy with the machines and fairground inventions of Frederick Savage; and Thomas Balguy, "Traveller and Picture Man," at the Lynn Museum—these reach a festival level of individual. The concerts strike at least on the programme page, no special festival sparks—but bookings have been heavy, so for King's Lynn audiences clearly the right balances have been found.

The single King's Lynn commission this year is the quartet for oboe and string trio of Richard Rodney Bennett, played on Monday evening in the St. Nicholas Chapel by the Meos Ensemble. The chamber music programme, in addition to Schubert's Trout Quintet, Ravel and Debussy, suffered less in that grand space than could have been predicted; only in the opening Mozart Clarinet Trio, K498, was a blurred, imprecise image forced on the music, with the viola part lost in the undertow—and that may have been because of slightly unfocused playing by the violist, Cecil Aronowitz. The continual cooing of birds in the rafters proved strangely undistracting throughout the concert; the cool of the church was welcome in interesting as a suitable atmosphere for music pleasantly cool and clear in outline.

Summer will be a little longer this year.



Mediterranean Explorer dep. 24th Oct. (12 nights); Indian Summer dep. 24th Oct. (not from Luton 19 nights); Autumn Wanderer dep. 12th Nov. (14 nights from Gatwick only); Autumn Explorer dep. 19th Nov. (7 nights).

Can you think of a nicer way of taking the chill off October or November than cruising the Mediterranean and Atlantic Isles in the style only Lthaca could rise to?

Thomson offer you two basic cruise itineraries. Sample prices are from £109* for a 4-berth cabin booking (7 nights) and from £208* for a 2-berth cabin booking (12 nights). And extended cruises up to 14 and 19 nights are also available.

And look what you get for your money. Ample cabins, each with private shower and wc, and such refinements as early morning tea or coffee service

included. Magnificent public rooms, professional entertainment, excellent cuisine. Bars, shop, pool, films, disco, gaming, even a hairdresser. And an atmosphere you'll remember for years to come.

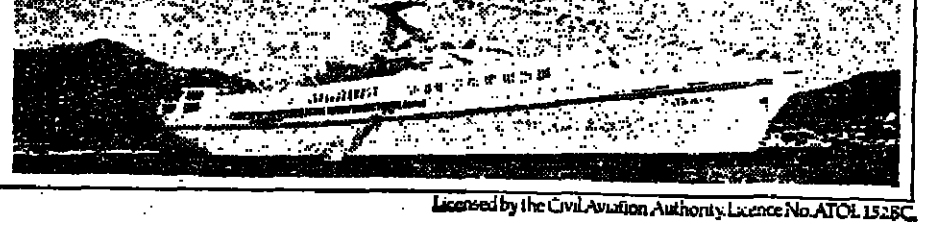
Flights are available from Manchester, Gatwick and Luton and details from your nearest travel agent. Make a point of seeing him rather soon.

Or ring 01-388 0081.

*All prices are per person and subject to port adjustment.



We take the care. You're free to enjoy yourself.



CINEMAS (Cont.)

CURZON, Curzon Street, W.1. 499 3737. 17th Nov. *Smoking*. 18th Nov. *Smoking*. 19th Nov. *Smoking*. 20th Nov. *Smoking*. 21st Nov. *Smoking*. 22nd Nov. *Smoking*. 23rd Nov. *Smoking*. 24th Nov. *Smoking*. 25th Nov. *Smoking*. 26th Nov. *Smoking*. 27th Nov. *Smoking*. 28th Nov. *Smoking*. 29th Nov. *Smoking*. 30th Nov. *Smoking*. 1st Dec. *Smoking*. 2nd Dec. *Smoking*. 3rd Dec. *Smoking*. 4th Dec. *Smoking*. 5th Dec. *Smoking*. 6th Dec. *Smoking*. 7th Dec. *Smoking*. 8th Dec. *Smoking*. 9th Dec. *Smoking*. 10th Dec. *Smoking*. 11th Dec. *Smoking*. 12th Dec. *Smoking*. 13th Dec. *Smoking*. 14th Dec. *Smoking*. 15th Dec. *Smoking*. 16th Dec. *Smoking*. 17th Dec. *Smoking*. 18th Dec. *Smoking*. 19th Dec. *Smoking*. 20th Dec. *Smoking*. 21st Dec. *Smoking*. 22nd Dec. *Smoking*. 23rd Dec. *Smoking*. 24th Dec. *Smoking*. 25th Dec. *Smoking*. 26th Dec. *Smoking*. 27th Dec. *Smoking*. 28th Dec. *Smoking*. 29th Dec. *Smoking*. 30th Dec. *Smoking*. 1st Jan. *Smoking*. 2nd Jan. *Smoking*. 3rd 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WORLD TRADE NEWS

Rising share of W. German exports going to E. Europe

BY JONATHAN CARR

BONN, July 29.

WHILE West Germany's exports (£102m.), or 26.1 per cent above overall have plummeted in the last year.

Meanwhile, imports from the first half of this year, deliveries to the state trading nations have shown a marked increase. Particularly striking is the rise in exports to the Soviet Union, bringing a substantial increase in Bonn's trade surplus with Moscow.

Exports to the state trading nations rose by 22.2 per cent, compared with the same period of 1974 to a total of DM8.4bn. (£1.55bn.). The countries involved are Eastern Europe (excluding Yugoslavia), the Soviet Union, China (Peking), North Korea, North Vietnam and Mongolia.

Those countries are taking a higher percentage of total West German exports than a year ago — 7.7 per cent, against 6.1 per cent.

Even taking all the nations together, their importance for West German trade is hardly overwhelming. But, as Herr Hans Friderichs, the Economics Minister, has observed, buoyant trade with the East is serving as a particularly useful counterweight against the background of recession in the Western industrialised world.

Again, there are particular branches of West German industry which are especially dependent on exports to the East. They include the iron and steel sector, where exports account for no less than 19 per cent of total shipments. In the steel pipe sector—noticeable because of the big pipe-against-natural-gas deals with Russia—the proportion is even higher at 28 per cent.

Of total West German exports to the East in the first six months, deliveries to the Soviet Union accounted for more than one third—DM3.2bn. (£582m.), a rise of no less than 66.3 per cent, against a year earlier. Far behind, but growing steadily were exports to China, worth DM559m.

Canadian newsprint makers draw on stocks

By Our Own Correspondent

MONTREAL, July 29.

FIGURES ISSUED by the Canadian Pulp and Paper Association show that newsprint producers drew on stocks to keep up shipments in June. Output lagged behind shipments for the second month running, reflecting short time or cutbacks at mills.

During June stocks at the mills fell 8.8 per cent from the May level, but were still almost 19 per cent above a year earlier.

Stocks held by North American publishers were relatively much higher, running to around 50 days on average against a normal 30 days.

Newsprint shipments to all markets in June declined 2.4 per cent to 786,741 tons, compared with May but were 1.3 per cent higher than a year earlier. Deliveries to the U.S. rose 1 per cent to 536,903 tons, but were 6.5 per cent below a year earlier. Stocks at June 30 totalled 288,619 tons.

Ghana to operate import licence system in 1976

BY OUR OWN CORRESPONDENT

ACCRA, July 29.

IMPORT LICENCES for 1976 are to be issued in advance to eliminate "a number of the bottlenecks" that plagued the import programme this year.

Mr. George Minyilaa, Commissioner for Industries, told the annual meeting of the Ghana Manufacturers' Association that the licences would be ready by the end of this year to enable manufacturers to plan their imports on a more realistic basis.

He urged industrial importers to submit applications by mid-August.

Importers were warned not to submit inflated and unrealistic figures as that would neither help them nor his Ministry.

The Commissioner pledged that the Ministry would allocate, as far as the country's balance of payments permitted, sufficient licences to keep factories running.

The Government, he said, looked to the industrial sector to help expand exports to earn foreign exchange to finance imports. The Bank of Ghana, he added, was supporting the export drive, and new procedures to facilitate the drive would be announced soon.

Volta power

Ghana is now supplying power from her Volta dam at Akosombo to Togo and Dahomey. The two countries have established a joint agency to purchase power.

The agreement provides that Ghana will make available 50mW of electricity for a continuous period of 115 years.

The Togolese Public Works Minister said he expected the power supply would eventually be extended to Nigeria. With oil from Nigeria and power from Ghana it was possible to create a "giant economic community" in West Africa.

Col. Robert Kotéi, Ghana Commissioner for Works and Housing, said the supply of power from Ghana did not preclude the development of Togo and Dahomey's own hydro-electric power resources and that he hoped it would lead to "the creating of a West African grid" to serve all the countries of the region.

Bulgarian-Soviet co-operation deals

BY PAUL LENDVAY

VIENNA, July 29.

TWELVE MAJOR agreements on specialisation and joint production in the heavy and electrical engineering, machine-building, motor, chemical and food industries were signed during last week's session of the Bulgarian-Soviet Commission for Economic, Scientific and Technological Co-operation.

Mr. Kiril Zarev, Bulgarian Deputy Premier and Chairman of the State Planning Committee, said in Sofia that the agreements would contribute to what he described as the "all-round co-operation" between the two countries and to the deepening of economic integration in the spirit of the complex programme of Comecon.

Mr. Mikhail Lesechko, Soviet Deputy Premier and chairman of the Soviet side of the Commission, declared that during the next five-year period bilateral integration would deepen. Questions concerning further all-round "drawing closer" of the economies of the two countries were discussed, he revealed.

The two countries also signed an agreement about co-operation and joint production of equipment for nuclear power stations. Bulgaria will specialise in the manufacture of electric equipment and steel structures for nuclear power plants. It is claimed that by 1990 half of Bulgaria's electric power will be provided by nuclear stations.

The Soviet Union promised assistance in the construction of 53 industrial enterprises and of major power projects. This year the Soviet Union will also receive 4bn. kWh of electric power and 2.6m. cubic metres of timber, in addition to crude oil and gas from the Soviet Union.

Under the latest agreements the Soviet Union will help Bulgaria in the development of large-scale irrigation schemes in the Danubian areas.

Meanwhile, the Bulgarian Press points out that Bulgaria has also become an important trading partner for the Soviet Union. Thus, Bulgarian industry covers the entire Soviet demand for electric trucks, about 25 per cent of electrical engineering equipment, 23 per cent of agricultural machinery and 25 per cent of equipment for the tobacco industry imported by the Soviet Union.

Leyland to build £15m. plant in Iran

Financial Times Reporter

BRITISH LEYLAND is to build and equip a £15m. foundry at Tabriz, Iran, for the Iranian Development and Renovation Organisation. It will make automotive castings and cylinder blocks for diesel engines. Initial capacity will be 25,000 metric tons of castings a year, including 15,000 tons of thin-wall castings for diesel engines.

The plant will provide support for SS Leyland Diesel (Iran) which makes engines from 80 hp to 275 hp. BL has a 26 per cent stake in the company, which supplies power units to Leyland Motors Iran, manufacturers of 7-ton to 20-ton trucks. The LMI plant is being extended to supply the increasing commercial vehicle market in Iran, and the double-deck bus facilities will be expanded by the autumn, with complete manufacture of bodies at Tehran.

IN BRIEF

Japanese vehicles

Japan exported 1.19m. vehicles in January-June, a 5.6 per cent fall on the year, with the car figure 6.5 per cent lower at 800,224 units. Sales to Europe, the Middle East and Africa increased, and declined elsewhere. Exports to Britain jumped 80 per cent to 62,000 units and to Saudi Arabia by 125 per cent to 55,000 units. Nissan was top shipper (405,000 units, up 1 per cent), followed by Toyota (308,000, down 8.3 per cent) and Toyota Kogyo (147,000, down 28.2 per cent).

Motorcycle exports were 11.7 per cent lower at 1.38m. units.

Power in Papua

The Governments of Australia, Japan and Papua New Guinea have agreed to conduct a \$40m. (£26m.) feasibility study on the location of hydro electric generating facilities at Wabo, on the Puzari River in Papua New Guinea. An inter-governmental committee to run the study has just met for the first time at Port Moresby, and a formal agreement for their joint participation is being drawn up. Technical work will be done by Sawey Mounting Engineering Corporation, of Australia, and Nippon Koei, Japan.

Mr. Crean, the Australian deputy premier, said the study was expected to take three years, during which the Papua New Guinea Government would run a parallel study of possible industries that might be based on the power project.

U.S. Inland Steel

Nippon Kokan, Japan, has agreed in principle to provide Inland Steel of the U.S. with "know-how" for construction of a large-size blast furnace. Inland plans to build what would be the largest furnace in the U.S., of 3,600 cubic metres, for completion by 1978.

Cargo to Mid-East

Anglo Balkan Carriers (Forwarding) is offering from August 1 weekly groupage services from East Anglia to many Middle East destinations.

U.S. import duties

U.S. International Trade Commission estimates 67 per cent of U.S. imports enter duty-free or at tariff rates of 5 per cent or less. Only 2.7 per cent of imports are subject to duties of 25 per cent or more.

The Financial Times, published daily except Sundays and public holidays. Subscription price £19.50 (air mail) plus postage. Second class postage paid at New York, N.Y.

SCOTTISH & NEWCASTLE BREWERIES LIMITED

Extracts from the Statement by the Chairman, Mr. F. E. G. Balfour, issued with the Report and Accounts for the 52 weeks ended 27th April, 1975:

□ The consolidated pre-tax profit showed a recovery from the half-year position and at the year end was £22.2m as opposed to £23.2m, after charging £802,000 for the buy out of the Tyne Brewery productivity schemes to which I referred in my last statement, and a further £470,000 extra depreciation as a result of our property revaluation. In the circumstances these results were not uncreditable and the improvement in the second half-year most satisfactory.

□ We finished the year with an increase in volume sales of beer and lager of just under 2% to a total which was once again a record. All our beers continued to show a high degree of acceptance by the public and Youngers Terton beer increased its sales for the tenth year in succession. We have so far seen little evidence of trading down.

□ During the year all our properties, the vast majority of which are in the licensed estate, were revalued, disclosing a surplus of £50m and disposals since the date of revaluation have all been at figures close to or above the valuation price.

□ The development of increased production facilities is almost complete. The full benefit will not be realised until we can bring our total packaging facilities into line with our brewing capacity and update our distribution network.

□ Last year the Board expressed its determination to reduce capital expenditure as soon as possible to within cash flow. Very careful thought is being given to the detailed implementation and the time scale of the further programme which I have outlined above, but in the current situation it could not be wholly financed from cash flow. It is for this reason that the Board is seeking fresh funds from Shareholders.

□ Our programme of diversification has had mixed success. The Siml Winery has been affected by the recession in the U.S.A. Losses in the first year of ownership were heavier than anticipated and steps are being taken to improve the situation.

□ Our Directors have been concerned about the progress and eventual outcome of the creation of a golf and leisure centre at St. Cyprien in Southern France and they are undertaking a thorough review of the project.

□ Future prospects depend very largely on the effect of the Government's latest measures to halt inflation. We believe it to be of paramount importance to be in a position to meet the up-turn in market conditions which will surely follow a defeat of inflation. The modernisation we have achieved to date, together with our further plans, should put us in this position.

□ At the time of writing, volume sales of beers and lagers are ahead of last year. As a result of the Budget, sales of wines and spirits are below last year's levels but our hotels and managed houses, helped by a good spell of weather, are up to expectations.

Significant Profit Figures	1975 £'000	1974 £'000
Profit before Taxation	22,198	23,229
Taxation	11,888	12,212
Profit after Taxation	10,310	11,017
Preference dividends and minority interests	636	505
Extraordinary Items	9,774	10,512
Available for Ordinary Shareholders	35	740
Ordinary Dividend	9,809	11,252
Retained and added to Reserves	5,492	5,226
Earnings per 20p Ordinary Share (before Extraordinary Items)	4.317	6.027
	4.48p	4.83p

WARNFORD INVESTMENTS LIMITED

The Annual General Meeting of Warnford Investments Limited was held on July 29 in London. The following are salient points from the Directors' Report and Accounts:

- ★ Group Revenue before taxation for the year ended 25th December, 1974, increased from £983,371 to £1,370,596. The directors recommend the payment of a final dividend of 2.70p making a total of 3.96p per share compared with 3.652p in the previous year.
- ★ The ending of the freeze on rents should result in an increase in rental income during the current year. The net results should show a further satisfactory improvement.

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First, we pay 90 per cent of your losses if your buyer goes broke or fails to pay for goods accepted—95 per cent for losses caused by acts of government, such as exchange restrictions, new import regulations or war.

Second, we give improved access to export finance. Under our Guarantee banks provide finance at preferential rates of interest. The rate is ½ per cent above base rate for credit up to two years and at a fixed rate for two to five years, with a minimum of 7 per cent.

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ECGD

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This announcement appears as a matter of record only—June 1975.



Instituto de Recursos
Hidráulicos y Electrificación
Republic of Panama
\$10,000,000
Seven Year Term Loan

Guaranteed by
The Republic of Panama

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Bank of America NT&SA

and Provided by
Bank of America NT&SA
The Bank of Nova Scotia
The Bank of Tokyo of California, Nassau, Bahamas
Banque Canadienne Nationale

Agent
BANK OF AMERICA



EUROPEAN NEWS

Communists will dominate Lisbon's new government

BY JANE BERGEROL

LISBON, July 29.

PORTUGAL'S fifth provisional government is to be announced tomorrow, to contain a majority of military ministers in harness with civilians predominantly from the Communist Party and the Communist-dominated MDP-CDE.

Two vice-premiers will serve under the Communist-sympathising Prime Minister, General Vasco Gonçalves. One is the Copcon security forces chief, General Otelo Saraiva de Carvalho, who is a member of the country's new ruling triumvirate together with General Conçalves and President Costa Gomes. The other is a professor from Coimbra University, Prof. Teixeira Ribeiro, who has strong MDP-CDE connections.

Also expected tomorrow is a political plan calling for the immediate constitution of a United Popular Front for the defence of the revolution.

At Ministerial level, the MDP-CDE Minister of Finance, stays on, as well as the Communist Minister of Transport and Communications. A second MDP-CDE man is to become Minister of Social Affairs. The Economic Ministry will remain in the hands of Independent Dr. Mario Murtelira.

Half the 16 ministries will be under military ministers, mostly the current office holders. The guiding aim appears to have been a coherent political line so the new Cabinet will not waste time in political debate but get on with the job of running the country and providing concrete answers to Portugal's pressing economic and social problems.

However, the level of technical expertise is likely to suffer not merely from the absence of a number of resignations of a civil servant but from the lack of a number of leading Left-wing civil servants who have been in the country since the 1974 revolution. His most probable successor is Admiral Rosa Coutinho, an independent radical officer, formerly High Commissioner in Angola, who has already a wide knowledge of Western European countries following his contacts as a leading naval officer with NATO.

For the moment there appears little likelihood of an immediate purge of dissenting officers from the Supreme Council of the Revolution. A purge may come later, at the next Armed Forces General Assembly, but President Costa Gomes is reportedly anxious to maintain such officers' loyalty, and since the Council Front will depend largely on their success in mobilising the increasingly disoriented and fearful Civil Service into taking responsibility and getting things done.

President Costa Gomes and General Conçalves are therefore determined to push ahead with the revolution and not cede to pressures from either of Portugal's two largest parties, Socialists and Popular Democrats. Whether they succeed in bringing more authority and order to the government as a result of this less heterogeneous cabinet in tandem with the new United Front will depend largely on their success in mobilising the increasingly disoriented and fearful Civil Service into taking responsibility and getting things done.

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Turkey is still 'loyal member of Nato'

By David Curry

BRUSSELS, July 29.

TURKEY made clear here today that it remained a "loyal member of Nato" in spite of its decision to take over control of the U.S. bases on her territory in retaliation for the refusal of the U.S. House of Representatives to lift the arms ban imposed on Turkey last February.

The Orhan Erarp, Turkish Ambassador to Nato, told a special meeting of the Nato Council held by Turkey that specifically Nato activities would continue uninterrupted. However, he emphasised that Turkey's decision to terminate the bilateral agreement under which U.S. forces ran the 27 bases was definitive.

The eventual future of the bases would be worked out in the light of talks with the U.S. and Nato which would aim at spelling out a new arrangement for control and operation, an arrangement which would free Turkey from subjection to "the whims and caprices of ethnic power groups in the House of Representatives."

The ban on arms shipments was taken by Congress in response to the use of U.S. arms by Turkey in the invasion of Cyprus.

"We are looking forward to the re-establishment of effective and efficient co-operation with the U.S.," Mr. Erarp said. "But we will not allow the U.S. the same privileged position as before. We want an arrangement allowing the bases to be reactivated to serve the purposes of Nato as a whole."

The preferred framework for the new administration of bases would be a Turkish-Nato one, he declared, though it was conceivable that Turkey would retain them under its exclusive control.

The council decided to call for a speedy report from the military committee of Nato on the effect on the Alliance of the continued arms embargo against U.S. Administration wishes and on the impact of the "suspension of activities at the bases."

Mr. Erarp made no bones about admitting that the Turkish action would impair Nato's operations on its already deeply troubled southern flank, but blamed the problems on the "perfidious embargo."

"While Turkey, it is understood, has no specific requests for arms from the European members of the Alliance, it drew attention to the 'arms gap' it had contended with as the result of the embargo."

It is understood that the Nato ambassadors were sympathetic to Turkish frustrations while urging Turkey to take irreversible steps.

Metin Munt writes from Ankara: The Turkish General Staff announced today that all U.S. bases have now stopped activities having been taken over by Turkish military "command teams." These would perform "control and supervision duties."

The only base continuing activities is the Incirlik Airport, which, according to the General Staff, is doing strictly Nato work.

Mr. Nicola Corbisano, correspondent at the Turkish Embassy in Ankara, said today that the Turkish Government had taken over all U.S. installations within the Turkish-occupied part of Cyprus.

The installations, which are not significant, are a monitoring radio station at Karavas, and two diplomatic communications stations.

BUDGET SUBSIDY METHOD OUTLINED

BRUSSELS, July 29.

The EEC Commission today set out details of a proposed financial mechanism to inform in effect subsidise contributions to the Common Market budget by member states in economic difficulties.

The Commission agreed to an outline of a system for January following a protest by Britain that under the Treaty of Rome it would bear a disproportionate share of the EEC budget.

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THE NEW MAN IN AUSTRIAN POLITICS

A match for Kreisky

BY PAUL LENOVAI, VIENNA CORRESPONDENT

TEN WEEKS before the general elections, a fatal traffic accident dramatically changed the entire political landscape in Austria. The unexpected death of Dr. Karl Schleimer, the chairman of the People's Party, on July 19 has not, as might be expected, plunged the main opposition party into disarray. However, a truly radical reshuffle would now be on the way. With 33 out of 35 votes, the national executive elected immediately after the funeral on Thursday Dr. Josef Taus as the new party chairman.

The speed and unanimity of the decision and the person of the new leader have combined to inject a rare element of excitement into Austrian politics, dominated for almost eight years by the towering personality of Chancellor Bruno Kreisky.

Under his leadership, the Socialists in March, 1970, won the relative majority in parliament and formed a minority government. Eighteen months later Dr. Kreisky called a snap election and secured for the first time in Austrian history an absolute majority for his party. It was generally agreed that Herr Schleimer, a decent but uninspiring man, was no match for the 64-year-old Socialist statesman, the by far most popular and most respected Austrian politician.

Now however the pressure of events forced the People's Party, a heterogeneous coalition of institutionalised regional and corporate pressure groups to opt for a man who so far has been better known as a client of the major U.S. and British,

Swiss and German banks than in certain of the local organisations of the party. At 42 Dr. Taus is not only the youngest People's Party leader since World War Two. He is also the first intellectual with a Vienna background to lead a party traditionally headed by provincial politicians and dominated by rural and regional interest groups. Last but not least Dr. Taus is the first professional banker to enter Austrian politics on a grand scale.

All these unusual factors coupled with Dr. Taus' inability to suffer fools gladly explained the reluctance of the central apparatus to welcome the initiative of the Styrian People's Party, the most dynamic regional organisation, which in April nominated Dr. Taus as a candidate for the general elections. For weeks a controversy raged as to whether Dr. Taus' position as chief executive of a bank was compatible with his being an member of the first single-party People's Party Cabinet to be formed after World War II. As Secretary of State he was placed in charge of the nationalised sector and one year later became chairman of the supervisory Board of the Oesterreichische Bank, however, created a completely new situation. It was primarily due to the quick action and mediating ability of the acting party chairman and president of the powerful federal chamber of economy, Herr Rudolf Sallinger that the combined opposition of pompous mediocrities and small-scale operators was overcome within a couple of days and that the best man was chosen for a gruelling job.

Dr. Taus was already in 1971 one of the possible candidates for the leadership, but the cautious banker at that time declined to fight for the leader-

ship and to court an almost certain defeat at the hands of the Socialists. After the death of Herr Schleimer, however, he was confronted with the choice of "now or never."

When the national executive of this week confirms the decision of the national executive, Dr. Taus will have just about two months to wage an uphill battle to become a credible alternative to Dr. Kreisky. Due to a rare combination of intellectual brilliance, managerial ability and hard work Dr. Taus became at a very early age a key figure in the Austrian economy. At 33 he was the youngest member of the first single-party People's Party Cabinet to be formed after World War II. As Secretary of State he was placed in charge of the nationalised sector and one year later became chairman of the supervisory Board of the Oesterreichische Bank, however, created a completely new situation. It was primarily due to the quick action and mediating ability of the acting party chairman and president of the powerful federal chamber of economy, Herr Rudolf Sallinger that the combined opposition of pompous mediocrities and small-scale operators was overcome within a couple of days and that the best man was chosen for a gruelling job.

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Security summit opens in Helsinki to-day

BY MALCOLM RUTHERFORD

HELSINKI, July 29.

THE EUROPEAN summit conference which opens here tomorrow seems likely to be dominated by a series of bilateral meetings between Eastern and Western leaders, as well as intensive consultations within the Western Alliance.

There will be at least two meetings, outside the conference proper, between President Gerald Ford and Mr. Leonid Brezhnev, the Soviet Party leader, in which the two men are expected to set the course for future U.S.-Soviet negotiations.

Mr. Brezhnev will also meet separately with other Western leaders including President Giscard d'Estaing, of France, Chancellor Helmut Schmidt, of West Germany, and Mr. Harold Wilson, the British Prime Minister. All these meetings are scheduled for tomorrow.

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the height of Herr Willy Brandt's Ostpolitik. The proliferation of the bilateral meetings seems to have surprised, and alarmed, the Finnish organisers of the conference who fear it may distract attention from the main business which is that each of the 35 participating States should make a speech acknowledging the final documents of the conference on security and co-operation in Europe, culminating in a signing ceremony on Friday evening.

Most heads of government, it is scheduled to be, will not be present, but the completion of the conference, says the German leader, this will be the first exchange between East and West Germany at this level since 1971.

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OVERSEAS NEWS

THE U.K. AND NIGERIA

Large sterling holdings intact

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

NIGERIA is a major overseas holder of sterling reserves in London, and has not, despite market rumours to the contrary, made any significant withdrawal of funds this year. It is estimated that out of total Nigerian reserve holdings of \$6.5bn. at the end of May, over \$2bn. of the country's foreign exchange reserves were held in sterling.

The significant development this year—at least until the coup—has been that after raising its holding of sterling rapidly during 1974, Nigeria has kept them fairly stable.

This partly reflects Nigeria's policy of diversifying its reserve holdings to some extent where possible—there have for instance been purchases of Continental currencies such as the German Deutschmark and the French franc by the central bank.

But it is also a reflection of the rate at which Nigeria has been spending money on imported goods and services this year. This has meant a dramatic reduction in its available surplus for investment, by comparison with last year—as indeed has been the experience of many oil-producing countries.

While remaining high in absolute terms, Nigeria's sterling holdings have therefore declined appreciably as a percentage of its total foreign currency reserves.

The dramatic effect of the oil price increases of 1974-75 is shown in the growth of the country's total foreign currency reserves from \$0.6bn. at end 1973 to \$6.5bn. at end 1974. The slow-down was seen when, after reaching a peak of \$6.7bn. at the end of April, the total declined to \$6.5bn. at end May.

'No serious effects'

BY LORNE BARLING

THE COUP in Nigeria, Britain's largest trading partner in Africa where well over \$500m. invested, has caused some concern among exporters but trade officials yesterday believed that there would be no serious long-term effects.

Mr. David Ennals, Minister of State at the Foreign Office, said in the Commons yesterday that Nigeria was extremely important in terms of investment and trade, apart from the 15,000 British citizens working there.

The major investors are Unilever, Barclays Bank and Shell-BP, whose remaining 40 per cent. interest in their oil operations are not included in the £250m. figure.

It is felt that the coup will have some unsettling effect in the short term, but, unless any anti-British feeling is generated, relations with Nigeria should return to normal before long.

Last year British exports there amounted to £222m. and imports to £369m., including oil worth £280m. The country is also one of the U.K.'s best markets for machinery and transport goods, with exports last year amounting to about £300m. and imports to about £300m. a year each, (about £15m.) and paper and board (about £7m.).

On his recent visit there, Mr. Shore listed four areas of particular interest to Britain—agriculture, hydrocarbons, iron and steel and basic development such as ports and railways. He received an encouraging response, which was attributed partly to the traditional trading links.

The response of British companies to the coup has been cautious. Although investment is very large, most have carried out policies of employing as many Nigerians as possible. Unilever, for example, has only about 17 foreigners among a workforce of 2,500.

Total exports to Nigeria last year amounted to £222m. and imports to £369m., although Mr. Shore said that in the first quarter the value of our imports of oil had declined, while non-oil imports grew by 6 per cent.

Other major exports are iron and steel, textiles and fabrics (about £10m. a year each), chemicals and plastic (about £15m.) and paper and board (about £7m.).

India Fifth Plan outlay of £3bn.

BY K. K. SHARMA

NEW DELHI, July 29.

INDIA'S ANNUAL plan for 1975-76, presented to Parliament by Planning Minister I. K. Gujral provides for an outlay of Rs.51bn. (£2.9bn.)—an increase of 23 per cent. over the previous year's plan outlay.

The underlying theme of the plan is "growth with stability." This means in effect that investment allocations have been heavily weighted in favour of sectors which are critical for maximising the growth potential of the economy. The annual plan has been formulated in the context of constraints operating in the economy, particularly inflation which reached a record level of 27 per cent. last year.

Inflationary forces have now been contained and India is probably the only country in the world where prices are actually falling.

But since last year's inflation rate was high, in real terms the

increase in outlay on the current annual plan is minimal and in fact the Planning Commission has formulated the plan mainly with the object of safeguarding the "core" sectors of the plan. These include agriculture, fertilisers, steel, power and energy. Since inflation has largely been checked the hope is that the current developmental expenditures will provide the basis for a rapid acceleration of growth of national income in the remaining years of the Fifth five-year plan which ends in 1979.

The Planning Commission has drawn up a draft outline of the Fifth plan, but it admits that the assumptions on which it was based have proved wrong. These include price stability and foreign exchange resources which have been severely eroded as a result of the oil crisis.

The Fifth plan will be formulated as soon as the constraints now operating are contained within manageable limits.

Operations of UN bodies threatened, Israel warns

BY L. DANIEL

TEL AVIV, July 29.

A WARNING that Israel would suspend the operations of all UN bodies in Israel or Israeli-occupied territory should the next General Assembly decide not to recognise the credentials of the Israeli delegation and thus make it impossible for it to participate in the Assembly was voiced here to-night by Israeli Foreign Minister Yizal Alon.

At the same time he expressed the hope that it would not come to this despite the resolutions passed in Jeddah and Kampala calling for the suspension of Israel from the U.N.

Answering questions during a TV interview, the Israeli Foreign Minister made it clear that the question of Israel's status in the U.N. cannot be divorced from that of another interim agreement with Egypt, since such an agreement would involve the presence of U.N. troops. As to the chances of a second interim agreement being reached, he thought that the negotiations must be given another chance in order to explore every possibility.

Meanwhile military observers here report a constantly increasing Jordanian-Syrian co-operation both in training and the exchange of military personnel. Observers here think that a Syrian-Jordanian military co-operation agreement may be signed in Amman this week during the visit there by the Syrian Prime Minister.

Ihsan Hilali adds from Beirut: The decision by the U.S. Government to postpone U.S. aid to Jordan with 14 batteries of

TUNISIA BUYS ENI REFINERY

TUNIS, July 29.

THE TUNISIAN Government is to buy the assets of the Italian oil firm ENI at the Bizerta refinery, together with the interests of the Agip distribution company. It was officially announced by Reuters.

THE IRAQI ECONOMY

The reality beneath the dogma

BY ALAIN CASS, RECENTLY IN BAGHDAD

ON A PARTICULARLY sticky night in Baghdad recently when, for the umpteenth time, part of the city was plunged into darkness due to a power failure the evening news bulletin on television contained an item of more than passing significance.

It simply said that the power failures were a result of the fact that the Soviet contractor installing the city's new power system was several months behind schedule. The news was reprinted the following day in all of Baghdad's state-controlled morning newspapers except for the Communist one which complained that this was no way to treat a friendly power which had done so much for Iraq and so on and so forth.

The news item revealed, or at any rate placed on record since the signs have been there for some time, two things. The first is that there is some disenchantment in Baghdad with the purely technical level and quality of East European, but especially Soviet, technology.

The second point, which is probably of greater significance, is that in its drive for economic self-reliance, far from being a client state of the Eastern bloc Iraq is turning more and more to the West and Japan for the technology it requires. In other words it is depoliticising its investment programme. This was summed up by Mr. Fakri Khadouri, head of the Revolutionary Command Council's Economic

Bureau (a sort of high-powered think-tank), who said: "We have the money to go shopping for the best. And we do not care where it comes from. Political factors do not enter into it."

A glance at the projects which Iraq has either contracted for or has put out to tender for implementation by 1980 and which, at current prices, are estimated to be worth around \$2bn. quickly reveals that a high proportion have so far gone to countries outside the eastern bloc with a lot going to Europe and, perhaps surprisingly, a few to contractors in the U.S.

In fact, the growing level of U.S. economic penetration in Iraq is a particularly good example of the hard-headed economic realism taking root at the higher levels of policy making. Despite a continued and bitter propaganda campaign against U.S. diplomatic efforts in the Middle East and elsewhere U.S. companies have been awarded some major contracts recently, the chief ones of which are a \$50m. contract for off-shore installations including four platforms at the strategic Khor al Khafji deep-water terminal and a \$100m. contract for 11 Boeing jets including two 747 Jumbos.

The U.S. is also a major source of basic commodities for Iraq and will remain so until it can achieve self-sufficiency in food production which it aims to do by investing \$11.5bn. in agriculture over the next five years.

Such a policy should not be taken too far. Soviet and East

European penetration in Iraq's economic development remains high. Ninety-five per cent. of external trade remains in State hands and there is, consequently, a close political affinity between the technocrats of Baghdad and those of the Socialist States.

But there has been a change and 1974 saw the signing of prove second only to Saudi made considerable strides since then. There appears to have emerged a much more coherent economic strategy whose implementation has been dramatically facilitated by the sudden end to the costly and debilitating Kurdish rebellion in the north. Iraq's oil wealth, which may again, reached \$4.89bn.

This year's budget shows only a \$2.2bn. increase over last year, but since it is only a nine-month stop-gap budget taking Iraq up to next year when national accounts will be calculated on a January-to-January basis (as opposed to a fiscal year basis) the real increase is greater. Over 12 months the 1975 budget works out at \$3.24bn. or nearly a 40 per cent. rise over last year. Development gets \$1.38bn. while the ordinary budget is fixed at \$1.04bn. which may include some defence expenditure but is not certain to incorporate much of the larger purchases.

But there are signs that Iraq may have over-extended its resources. The drop in world prices for oil and the increase in development planning have combined to create a temporary but awkward cash shortage.

Certainly if Iraq's reported aim of compressing its original 1976-80 Development Plan (which has already been revised several times and is due to be presented at the end of the year) into two and a half years is to hold good then the problems of manpower (perhaps the most potentially serious in the medium term), infrastructure and management weakness will have to be overcome.

But if it can solve these problems and allowing for continued political stability, then the economic shadow which Iraq has cast on Iran's doorstep is bound to grow.

several bilateral agreements on Arabia's, has given it a financial base from which to launch huge ambitious plans. And, despite a recent scaling down of its oil production targets (from 325m. tons by 1980 to 200m. by 1982), it is heading at almost breakneck speed for economic self-reliance before the oil runs out or the consumers develop alternative energy sources or both.

A detailed economic assessment of Iraq's economic achievements still remains, to some extent an exercise in Kremlinology since officials reluctantly part with what they regard as strategic information, but what

is available indicates fairly impressive results.

Gross National Product, for example, which in 1972 was registered at \$1.87bn. reached, according to the RCC's Economic Bureau, \$4.32bn. last year. This represents a value rise of nearly 160 per cent.—about the same level of increase of Gross Domestic Product which, in 1974 again, reached \$4.89bn.

In the medium term, the two chief obstacles to the smooth progress towards economic self-reliance are likely to be the creation of bottlenecks due to an infrastructure inadequate to cope with the vast amount of development and the sheer administrative workload which Baghdad's already extended bureaucracy will have to cope with.

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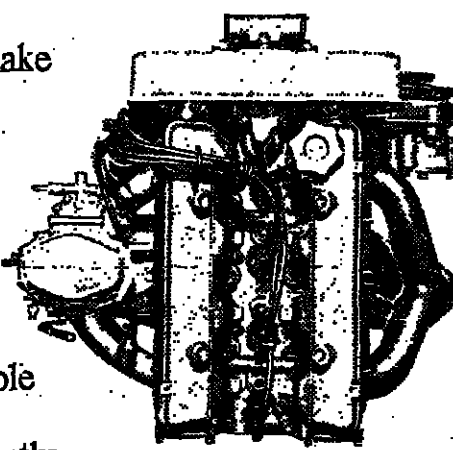
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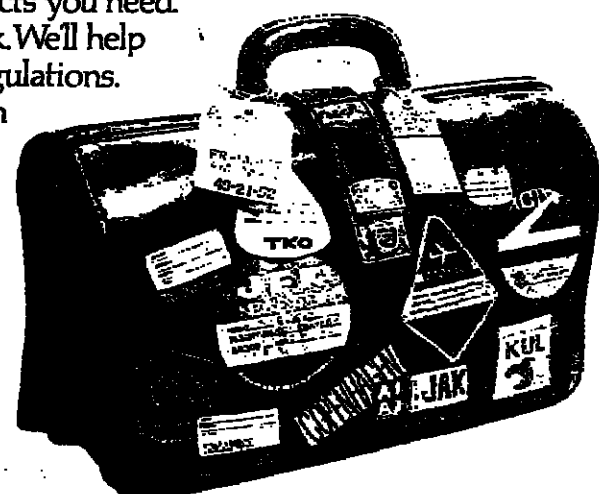
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LABOUR NEWS

Hull dockers angered by offer of extra 5p a week

BY CHRISTIAN TYLER, LABOUR STAFF

DOCKERS at Hull have been shocked by an offer from their employers to raise pay by only 5p a week this October because of the anti-inflation White Paper.

The port employers argue that they must subtract from the White Paper's £6 limit a £5.95 a week interim rise given to the 2,200 dockers at the end of April after their last principal settlement in October last year.

But dockers' leaders point out that the £5.95 was a substitute for threshold payments. Even if it was not, they argue, it would not count against the limit, which comes into force on Friday (August 1), since only money paid after Friday must be offset against the £6.

The row at Hull is a vivid example of the kind of problem springing out of the White Paper as unions and employers start the autumn wage round. This is despite the fact that the document was intended to lay down a simple and rigid formula, deliberately unresponsive in order

Risk of fines

In the Hull case, the union's argument would seem to be supported by guidance already issued by the TUC and Department of Employment.

Where there is some doubt, it is over the timing rather than the amount of the dockers' next pay rise. The question here, as in many other agreements, is whether under the 12-month rule wait until next April because they had a special rise then, or whether their normal October settlement date is the relevant one.

Yesterday the employers said

they were treating last October as the appropriate date when applying the 12-month rule: hence their readiness to make an offer at all—even though the offer was only 5p.

Mr. Walter Cunningham, shop stewards chairman, said yesterday: "If we cannot get £6 in October, things look very bad for weaker sections of Britain's workforce." He expects officials of the Transport and General Workers Union, which represents dockers, to raise the matter with the TUC and Government.

Mr. Geoffrey Cullington, the employers' spokesman, said they were "not going to budge" on the rules laid down in the White Paper. "We told the union we are not going to risk landing in jail or pay heavy fines for them."

At Avonmouth Docks, Bristol, where at a standstill yesterday after a mass meeting over pay, and some 12 ships there are now idle. The men had been told by their shop stewards that their £10-a-week pay claim had been rejected by an arbitration Board.

'Let unions help to control dumping' TUC urges Shore

BY JOHN WYLES, LABOUR REPORTER

TUC LEADERS yesterday launched a campaign against import "dumping" and called for more direct trade union influence over the range of goods imported into Britain.

At a special meeting yesterday, high-level TUC delegates told Mr. Peter Shore, the Trade Secretary, that planning agreements envisaged by the Government's Industry Bill should be expanded to cover import policies, giving the unions more influence over imports by the country and by individual companies.

This would be a vital part of "a more open approach" which TUC leaders contended was necessary to tackle import problems at all levels of the economy.

"Firms often reach a crisis from Mr. Shore feeling they had

struck a sympathetic chord as to the "open approach" which, they said, should also include shop-steward participation in trade level investigations into trading practices. But they made much less impact with their call for selective controls to ease the urgent problems of a range of industries currently under pressure from foreign imports.

They urged the application of a quota system in circumstances where "dumping" allegations are under investigation, but the Government apparently stood firm by its view that inter-Governmental talks, and similar side-line action to Jan. 1, will be the Society of Motor Manufacturers and Traders, offered the better approach at this time.

Co-operation

Mr. Jones, along with Mr. David Barnett, general secretary of the General and Municipal Workers Union and Mr. Tom Jackson, general secretary of the Union of Post Office Workers, argued that if workers were given more information on import-export problems through the planning agreement system, they would be in a position to mobilise action with unions abroad and to take joint initiatives with employers at home.

Unions leaders came away

Put vicar's £6 rise in plate, churchgoers told

BY CHRISTIAN TYLER, LABOUR STAFF

THE CHURCH of England yesterday asked parishioners to put more money in the plate so that low-paid clergy can enjoy the maximum £6-a-week pay rise allowed by the White Paper on inflation.

The Church Commissioners, who manage some £68m. worth of assets in order to provide stipends, announced they were adopting the £6 limit for next April's wage rises.

But they conceded that their support for the Government's drive against inflation was not exactly a sacrifice, since they can only afford to find £2 of £6 that is about £1m. from the income on their assets).

The balance, they said, must come from the church-going public.

It is the first time the Church has made such a direct appeal, or announced a target so far ahead. It is hoping to get the 3,000 "low-paid" rectors and vicars out of the £800 total onto a new rate of £46 a week. (The clergyman's free house, tax relief on some bills, and non-contributory pension is thought to be worth another £30 a week on average.)

Clergymen already above the present target of £40 a week will get slightly less than their brothers next April. Those well below it might receive another rise when the policy expires.

Tug-of-war 'no attack on trade unionism'—QC

A "TUG-OF-WAR" between unions being fought in the High Court over the future of 3,000 insurance workers must not be viewed as an attack on trade unionism, a High Court judge was told by a QC yesterday.

The fight is over which of two white-collar unions should get the 3,000 workers as members—the Association of Professional, Executive, Clerical and Computer Staffs (APEX) or Mr. Clive Jenkins' Association of Scientific, Technical and Managerial Staffs (ASTMS).

The hearing, in front of Mr. Justice Foster, arose out of the merger last August of the General Accident Fire and Life Assurance group's staff association (SAGA) with APEX.

A TUC disputes committee has ruled that ASTMS and not APEX is the proper union for achieving the economies urgently needed to curb the soaring rail deficit without any reduction in manpower.

This was agreed yesterday at a top-level confidential meeting which will be followed in the autumn by tripartite meetings with the Minister of Transport aimed at settling agreement on the short and medium term future of Britain's railway network.

The two sides will start discussions immediately in a joint working party on how to apply a range of economies which BR says are urgently needed to reduce its demands for public financial

Meeting to-day on Tyneside dispute

The 4,000 manual workers who have been on strike for more than three weeks at the Tyneside works of G. A. Parsons will decide at a meeting in Newcastle today whether to accept a company pay offer or challenge the Government's new pay limits.

The company last week increased its offer to between £6 and £7 backdated to July 1, with an extra £5 from January 1. The men want £10 immediately.

BR and unions talk to cut costs

BY OUR LABOUR REPORTER

BRITISH RAIL and the three railway unions are to try to agree a joint strategy for achieving the economies urgently needed to curb the soaring rail deficit without any reduction in manpower.

This was agreed yesterday at a top-level confidential meeting which will be followed in the autumn by tripartite meetings with the Minister of Transport aimed at settling agreement on the short and medium term future of Britain's railway network.

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Overtime

Near the top of the list of priority savings will be an attempt to reduce the average 13 hours of overtime which railmen now work and which accounts for one third of the total pay bill. Mr. Sidney Weighell, general secretary of the National Union of Railwaymen, reaffirmed yesterday that his union would not accept any redundancy as part of an economy drive, and that "there is plenty of scope for making economies without reducing staff."

Yesterday's talks indicate that

Plumbers renegotiate wage rise

By Our Labour Staff

A NATIONAL pay agreement signed seven months ago for 25,000 plumbers has been completely renegotiated to meet the new £6 a week limit on pay rises.

Rises of up to £12 a week have been cancelled by mutual agreement between contractors and the Electrical and Plumbing Trades Union, and all-round 25 rises substituted.

The plumbing and heating industry, like electrical contracting, sets rates far in advance in order to make tendering easier. A similar renegotiation will now have to be agreed in electrical contracting, where 70,000 workers had been expecting rises of 18-24 per cent. from January.

Mr. Frank Chapple, the general secretary of the EPTU, is due to meet Chancellor Denis Healey to press for a cut in Value Added Tax on electrical appliances.

The EPTU says that more than 6,000 people have been laid off or lost their jobs as a result of the increase in VAT rates to 25 per cent. in the last Budget.

Industry making progress on equal pay

By Our Labour Staff

THE Government believes industry has made "considerable progress" during the past year in meeting its equal pay statutory requirement in December.

This was announced in the Commons yesterday by Mr. John Fraser, Parliamentary Under-Secretary, Employment, who reported that a Government inquiry has shown that out of 151 agreements monitored by the Department of Employment, 43 had already achieved equal pay.

A further 70 were within 5 per cent. of the target. This meant that at the end of March this year, nine months before the statutory deadline, three-quarters had women's rates above 95 per cent. of men's.

Equal pay has been exempted from the 56 pay policy limit, which means that the 56 can be exceeded.

BR and the unions are prepared to move towards a greater degree of consultation and co-operation in the face of a Government squeeze on public expenditure, which could have serious consequences for the future of the railways.

Although the unions are prepared to talk about such short-term sacrifices as a reduction in the track-laying programme, the withdrawal of some incentives and passenger coaches and a 10 per cent. reduction in freight mileage, their prime aim is, according to Mr. Weighell, to emerge from the economic crisis "with the present labour force intact."

The following divisional changes have been agreed by the LEONARD FAIRCLOUGH group. Civil Engineering, Adlington: Mr. C. Howarth is now managing director, and Mr. D. G. Johnstone a director. Mr. M. H. Senyard becomes a local director from August. A Mechanical Engineering: Mr. J. C. Hird has been made managing director in place of Mr. F. W. Hodges, who has relinquished that position. Mr. J. Beaman joins the main Board, and will be responsible for the division. Mr. J. Beck appointed a local director. Mr. D. Green will be a director

APPOINTMENTS

Jack Sharpe heads new division of EMI

EMI has formed an Electron Tube and Small Businesses Division to co-ordinate several companies in its electronics operations. Mr. Jack Sharpe becomes managing director of the newly-formed division and retains his responsibilities as managing director of the Electron Tube Division. In addition he now retains a number of smaller, specialised electronics activities, and he will also be responsible for EMI Meterflow and EMI Threshold. Mr. Sharpe will report to Mr. Peter F. Thorne, who recently joined EMI as director, industrial electronics. Mr. John Griffiths, previously marketing director of Electron Tube Division, will be director and general manager of that division.

Mr. F. M. Douglas-Fennant has been appointed chief accountant of ANTONY GIBBS AND SONS from August 1.

Mr. Antonio Piatino R. has been elected a director and appointed honorary president of ASIAL-GAMATED METAL CORPORATION, a company of the individual companies, Mr. George Ortiz P. have been appointed directors. Mr. R. Blaise has resigned his directorship.

Lord Killanin, chairman of the Ulster Investment Bank, and Mr. Michael Duggan, chairman of Cement-Roadstone Holdings, have joined the Board of FITZWILLION, of the Republic of Ireland.

TUBE INVESTMENTS has consolidated Relite, Benjamin, Smithite and the lighting Strimite into one company under the title of SIMPLEX LIGHTING. Brand names are being retained. Mr. Michael F. Nash, who was chairman of the individual companies, is chairman and Mr. John D. Callaway is managing director of Simplex Lighting. Simplex-Circulume continues to operate as a separate company.

Following Midland Bank's acquisition of a controlling interest, Mr. G. W. Taylor (deputy chief general manager) and Mr. G. F. Bryen (assistant general manager, international), have been appointed directors of LONDON AMERICAN FINANCE CORPORATION. Mr. L. V. D. Thindale (deputy chairman of Finance for industry) has also joined its Board to represent 100 per cent. shareholding. Mr. E. S. Tibbets, Mr. Leopold de Rothschild and Mr. S. E. A. Kimmins have resigned as directors following the takeover by Midland Bank of the holdings they represented. Mr. G. S. Stone, who rejoined the Board last July following a two-year Government appointment, has become non-executive deputy chairman. Mr. A. J. Pondé will continue as managing director and group chief executive of London American in its new status as a subsidiary of Midland Bank.

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with responsibility for marketing appointed a director of North from August 1. Buchan: From August 1 the responsibility for Open-out drainage will be transferred from the Buchan Division to the Civil Engineering Division, Adlington. Mr. M. H. Senyard relinquishes his position as a director at Buchan and becomes a local director at Civil Engineering, Adlington. Property and Development: Mr. J. A. R. Cornwallis is now managing director and has resigned from the Boards of Fram Gerrard and North East Building, concern. The companies are Mr. K. F. Grinditch has been members of the Extel Group.

Mr. Anthony B. Tanner has joined the Board of BURRUP MATHIESON AND CO. as group works director. Mr. Tanner was previously managing director of the company.

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COMPANY NOTICES

ANGLO AMERICAN CORPORATION GROUP
Transvaal Gold Mining Companies
DECLARATION OF DIVIDENDS

Further to the dividend notice advertised in the Press on the 13th June 1975, the conversion rate applicable to shareholders in United Kingdom currency in respect of the unconverted dividends to shareholders registered on 27th June 1975 is £1=R1.553601.

The effective rate of South African Non-Resident Shareholders' Tax is 15 per cent.

Details of the dividends concerned are as follows:

Name of Company (each of which is incorporated in the Republic of South Africa)	Dividend No.	Coupon No.	Rate of dividend per share (South African Rand)	U.K. currency per share (pence)
The Anglo American Corporation of South Africa Limited	72	73	7.5 cents	4.62749p
Anglo American Corporation of South Africa Limited	72	73	7.5 cents	4.62749p
Anglo American Corporation of South Africa Limited	72	73	7.5 cents	4.62749p

For and on behalf of the Anglo American Corporation of South Africa Limited
D. N. MARVIN, Director

London Office: 40, Holborn Viaduct, EC1P 1AJ.
Office of the United Kingdom Transfer Secretaries/Registrars: 62, Marsh Wall, London, E14 3AP.
P.O. Box 102, 24, Charter House, London, EC3N 4AF.
TIN24 SEC, 29th July 1975.

The Directors of the Commercial Bank of Australia Limited

will recommend to the annual general meeting to be held on October 2nd 1975, the payment of final dividends for the year ended 30th June 1975 of 30p per Preference Stock and 75p per Ordinary Share.

This means a final dividend of 40 cents per unit of Ordinary Shares. Dividends will be paid on October 24th. Australian currency in shareholdings on the register as at October 20th, 1975, will be entitled to the dividends. The TRANSFER BOOKS will close at 3.00 p.m. on October 20th and re-open on October 24th.

To determine entitlements to the dividends, shareholders must participate in the final dividend. Shareholders who do not wish to participate in the final dividend should advise the Company by the 20th October 1975.

There will be a few days delay in the payment of the dividends. Shareholders who are unable to receive their dividends by the 24th October 1975, should advise the Company by the 20th October 1975.

By Order of the Board
Managing Director.

WEST HAMP CONSOLIDATED MINES LIMITED
(Incorporated in the Republic of South Africa)

Coupon No. 88

HOLDERS OF SHARE WARRANTS TO BEARER are informed that they will, on or after the 8th August, 1975, be entitled to receive the amount declared on the 31st December 1974, in respect of the 1974-75 financial year, of 2.250335p per share, 0.440282p being South African non-resident shareholders' tax of 15% equated to the rate of 10%.

Coupons must be deposited with THREE CLEAR DAYS for clearance before payment will be made.

Bank: National Westminster Bank Limited, London, W.C.2.
Branch: 41, Leathers, E.C.2.

In Paris at Credit Lyonnais, 15 & 17, Boulevard Haussmann, 75001 Paris.

In Basle at Swiss Bank Corporation, Zurich at Credit Suisse.

Coupons belonging to holders residing in Great Britain and Northern Ireland will be sent as follows:

Amount of dividend after deduction of South African non-resident shareholders' tax of 15%: 1.74553p

Less: United Kingdom income tax (at 10%): 0.17455p

Net Amount: 1.57098p

Listing Forms can be obtained from the Registrar, National Westminster Bank Limited, at the address shown above.

BY ORDER
GENERAL MANAGER AND FINANCE DIRECTOR
London Secretaries
Messrs. R. R. BISHOP
London Office: 39, Abchurch Lane, EC4N 3DF.
EC2M 1JN. 28th July 1975.

ANGLO AMERICAN GOLD INVESTMENT COMPANY LIMITED
(Incorporated in the Republic of South Africa)

DIVIDEND NO. 55

Further to the dividend notice advertised in the Press on 17th June 1975, the conversion rate applicable to shareholders in United Kingdom currency in respect of the above-mentioned dividend is £1=R1.553601.

The effective rate of South African Non-Resident Shareholders' Tax is 15 per cent.

For and on behalf of the Anglo American Corporation of South Africa Limited
D. N. MARVIN, Director

London Office: 40, Holborn Viaduct, EC1P 1AJ.
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Foot says £6 pay policy can end inflation threat

BY JOHN HUNT

Dividend waivers and CTT

Financial Times Reporter

IN A written reply in the Commons yesterday, Mr. Joel Barnett, Chief Secretary to the Treasury, clarified the position of a shareholder who waives his right to a dividend in relation to capital transfer tax.

He recalled that during the debates on the Autumn Finance Bill assurances were given that a dividend waiver would not normally give rise to a capital transfer tax liability although it was recognised that there were circumstances in which possibly a liability could be incurred.

Mr. Barnett stated "The Chancellor is considering whether legislation should be included in the 1976 Finance Bill to clarify the position. In the meantime, the Inland Revenue will not in any case seek to raise a charge to capital transfer tax where a dividend waiver of a dividend is made within 12 months before the date of the dividend or in the case of an interim dividend within 12 months before it is paid."

Candidates' expenses rise with inflation

By John Hunt

INFLATION had a severe effect on candidates' expenses at the last General Election, in October, 1974. It is disclosed in the Home Office return on election expenses, published yesterday.

Candidates spent £2,168,514—an increase of £159,854 on the £2,008,660 spent in the February, 1974 election.

Approximately 51p was spent on each person on the electoral roll, compared with 50p in February.

Another reason for the increase was the larger number of candidates, 2,252 compared with 2,135 at the previous election.

The candidates spent an additional £32,714 on personal expenses, including hotels and travel. Printing and stationery cost nearly £1.7m. in October, accounting for 75 per cent. of the total expenditure, the same proportion as in February.

Steel statement 'before recess'

THE GOVERNMENT'S major statement on steel was expected during the next fortnight, Mr. Michael Foot, Employment Secretary, confirmed yesterday.

He told MPs during Question Time exchanges that Mr. Eric Varley, Industry Secretary, hoped to make the statement before the summer recess.

State Industries Bill approved

THE STATUTORY Corporations (Financial Provisions) Bill was given its unopposed third reading in the Lords yesterday.

The Bill provides further compensation to some nationalised industries for the effect of price restraint and increases the limit on borrowing by the British Steel Corporation and the National Bus Company.

Plea for Attlee memorial

A PUBLIC memorial to Lord Attlee to commemorate his services to the country is to be sponsored, said Mr. Edward Short, Leader of the Commons, in a Commons written reply.

He was answering Sir John Rogers (Con., Sevenoaks) who has been campaigning for the memorial.

MR. MICHAEL FOOT found himself defending the Government's new £6 pay increase ceiling against attacks from the Conservative front bench and from his own left-wing in the Commons yesterday.

Members of the Tribune group feared that the latest pay policy, like its predecessors, would fall most heavily on organised trade unionists, and that others would escape.

For the Conservatives, Mr. Barney Hayhoe, a front-bench Employment spokesman, told Mr. Foot: "The policy is riddled with holes and anomalies and you are not prepared to do anything to stop them."

Tragedy

Despite the criticisms, the Employment Secretary stood firmly by the Government's policy. He declared: "I believe, the TUC having agreed to this policy, that it would be a tragedy for the nation if the House of Commons were to turn its back on it at this moment."

"The best course is to carry on with this policy. There will be difficulties—a lot of trouble during the course of it. But if we carry it through, we can end the inflationary threat."

Questioned about the reserve powers which would be introduced if the policy were breached, Mr. Foot said: "It is highly probable and advantageous that the reserve powers should never be presented to this House."

He said that the increase in unemployment in the six months from October 1974 (the date of the last General Election) to March 1975 was 19 per cent., seasonally adjusted and excluding school-leavers and students. But he stressed that in many other Western countries during the same period, unemployment had increased by about 40 per cent.

Mr. Foot was asked what steps



MR. ERIC HEFFER

"It will rebound on the Labour movement."

he proposed to take against employers who were faced with the alternative of breaching the Government's incomes policy or breaking the employment protection legislation. He replied: "The Government will not allow this situation to arise."

Chaos

According to Mr. Dennis Skinner (Lab., Bolton), the only detective work introduced would be against easily identifiable groups, namely the trade unions.

"There will be literally millions of people who are outside these groups who cannot be monitored effectively because they are not organised. It is the trade union sector that will be monitored and blamed for any problems that arise. The result will be chaos, like it was on the previous four or five occasions."

Shore rejects private airlines' plea to compete with BA

BY PHILIP RAWSTORNE

THE GOVERNMENT has decided not to permit competition between U.K. airlines on long-haul scheduled services.

Peter Shore, Secretary for Trade, announced in the Commons yesterday.

Laker Airways' proposed Skytrain service to North America would not be allowed to start, he said to cries of "shame" from Tory MPs.

And British Caledonian would be barred from operating services in competition with British Airways to North America and Singapore, he added. BCAL would be given a "sphere of influence" based on its West African and South American services.

Mr. Shore, announcing the results of a policy review, said that the airline industry had suffered a severe setback from the oil crisis and current forecasts indicated that there would be only a gradual recovery over the next few years in the U.K. airlines' ruin markets.

"For the foreseeable future, there will be hardly any routes on which we could hope to introduce a second British airline on terms which might enable us to increase significantly our share of the revenue," he declared.

British Caledonia's experience on the North Atlantic routes had shown how difficult it was for a second U.K. airline to compete profitably against established national flag carriers.

The Government had, therefore, decided not to license more than one U.K. airline on any long-haul route, said Mr. Shore.

Competition between BCAL and British Airways on the North Atlantic and Singapore routes "would bring no advantage to British aviation as an industry."

"It would cause damage to British Airways without ensuring a profitable operation for BCAL or other British carriers."

Mr. Shore emphasised that he was anxious to retain BCAL as a second centre of airline expertise and as the main operator from Gatwick where traffic had to be

expanded progressively as part of the national airports strategy.

The Government intended to give the airline a basis on which its services would complement, rather than compete with, those of British Airways.

Sphere

Within its sphere, largely based on the West African and South American services consolidated by a limited exchange of routes with British Airways, Singapore, he added, BCAL would continue to be a preferred airline, he said. It would also retain its present European and domestic services and would remain free to operate non-scheduled services throughout the world.

Promising a White Paper on the policy changes from the autumn, Mr. Shore said they would have to be incorporated in new guidance for the Civil Aviation Authority. An amendment to the 1971 Civil Aviation Act might also be required.

The changes would enable the industry to deploy its resources to the best effect in the very competitive international market.

"So far we have withstood the pressures better than most and I believe that we can surmount them in the future," he declared.

Mrs. Margaret Thatcher, the Tory leader, referring to the Laker Airways decision, said: "Isn't the nub of what you are saying that the private carrier is so efficient and so good for the consumer that the nationalised industries cannot compete?"

Mr. Shore retorted: "Honestly BCAL do not think that kind of over simple free enterprise rhetoric is the right way to approach the future of the civil aviation industry."

Replying to other Tory critics, he said that he regretted the necessity to reject the Skytrain proposals. "But I do not feel we have acted in a ruthless manner."

Mr. Kenneth Warren, from the Tory front bench, said that Laker Airways had spent £700,000 in legal fees in its fight to carry

Another left-winger, Mr. Eric Heffer, former Industry Secretary, predicted there would be a large number of anomalies in the building industry, those on the "lump" would slip through the net, while those outside the net would have their wages controlled. Similar situations would arise in engineering and among lawyers.

"Those who had concluded productivity agreements, such as the mining industry, would be in the clear, while those who had no such agreement would be caught."

"This is going to cause a great deal of discontent," Mr. Heffer said. "If we go on in this way, we will have a great many problems in these industries and it will rebound on the Labour movement."

Mr. Foot agreed that a great many anomalies were bound to occur and a great many difficulties would have to be overcome. The productivity agreement had been reached with the TUC and he was not saying that it would work 100 per cent. But the failure to deal with inflation would cause even more difficulties.

Inspectors had no right of access to check on conditions. They could only be invited in. This was based on the issue of the privilege of the House.

"But the right to control its own procedure should not be a right to abdicate responsibility," said Mr. Rooker.

Incomplete

Mr. Eric Moonman (Lab., Basildon) complained that the system would mean that only 60 per cent. of wage claims would be covered by the Government. They would never get it right until information was obtained from every company that agreed to a wage claim.

But Mr. Foot told him that this approach would mean compulsion, the addition of further penalties, and elaborate devices.

"We have decided to avoid a system of compulsory notification which would make the whole operation far more difficult," he said.

passengers to America more cheaply than any other airline.

The Government recognised the enterprise of Mr. Laker and his airline, said Mr. Shore. "But it does make sense to do what we have decided."

Replying to further questions, he said that a Government shareholding in BCAL had been considered but rejected.

Lords to hear sewerage rates appeal

THE HOUSE OF Lords is to review a High Court judge's ruling that sewerage charges demanded from ratepayers whose premises are not connected to the public sewers are illegal.

The House of Lords Appeal Committee yesterday granted the South West Water Authority leave to appeal in a test case affecting 800,000 such ratepayers in England and Wales.

The case is expected to be heard during the next law term, beginning in October.

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Access for inspectors urged at legislative factory

A BILL which could give factory inspectors the right of access to the Houses of Parliament was introduced in the Commons yesterday.

Mr. Jeff Rooker's Royal Palace of Westminster (Appropriation) Bill was given a formal first reading by MPs. But it has no chance of making further progress since the session's Private Members' time has been used up.

The Bill seeks to provide for the "common ownership" of the Palace, while it remains the seat of the U.K. Parliament and to bring it, and those who work there, within the scope of all protective labour legislation.

Mr. Rooker (Lab., Perry Barr) said the purpose was to provide more staff for MPs and parliamentary staff and to give workers cover under labour laws.

There was an urgent need for more room for MPs and staff—yet there was a vast amount of space in the Palace, including 56 rooms allocated to the Lord Chancellor.

And so more protective legislation was passed it was becoming more apparent that none applied to people working in the Palace.

Inspectors had no right of access to check on conditions. They could only be invited in. This was based on the issue of the privilege of the House.

"But the right to control its own procedure should not be a right to abdicate responsibility," said Mr. Rooker.

Amendment to insurance Bill fails

THE GOVERNMENT failed to amend a Bill in a Commons standing committee yesterday when two Labour MPs voted with the Opposition.

Voting was 6-6 and chairman Mr. Alan Fitch cast his vote to keep the Policyholders' Protection Bill unamended. The Bill establishes an insurance policyholders' protection Board.

Mr. John Roper (Lab., Farnworth) and Mr. Ted Graham (Lab., Edmonton) voting against the Government, said the amendment would give the Board greater discretion imposing levies on intermediaries in the insurance industry.

Under-Secretary for Trade, Mr. Stanley Clinton Davies, denied the new clause would distort the intention of the Bill.

Repealing to further questions, he said that a Government shareholding in BCAL had been considered but rejected.

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Tory attack on oil post for Kearton

BY JUSTIN LONG

THE GUILLOTINED battle over the Government's legislation to establish a British National Oil Corporation ended in the Commons last night, accompanied by the announcement that Lord Kearton, the 84-year-old former chairman of Courtaulds, is to be the first chairman of the new organisation.

Making the announcement, during the third reading of the bitterly-contested Bill to enable these new arrangements—the Petroleum and Submarine Pipe-lines Bill—Mr. Anthony Wedgwood Benn, Energy Secretary, brushed aside the criticisms of the Tories over the extensive powers taken by the legislation.

The Bill, Mr. Benn maintained, would remedy deficiencies whereby there was no petroleum tax, no depletion control, and no control over the ownership of North Sea licences.

This was safeguarding the national interest, and he claimed that the negotiations ensuring constructive participation with the oil companies had already got off to a good start.

His arguments were dismissed with indignation by the Opposition, and the long-awaited announcement of a chairman designate for the proposed corporation also came in for rough treatment. "Scrapping the barrel," one Tory shouted.

This followed a warning from the new regime that anybody caught disturbing public order would be "summarily dealt with."

Mr. Ennals, who was replying to a private notice question from Mr. Christopher Tugendhat, Opposition foreign affairs spokesman, said during the exchanges that Mrs. Gowon, wife of the deposed Nigerian leader, and her children were at present on a private visit to London.

Mr. Ennals told the House: "We have no reason to believe, on the scanty information so far available, that British subjects have been adversely affected by this morning's events."

The first news of the coup was at 6.30 this morning when Colonel Garba spoke over Lagos radio and declared that "After what had been happening in the past few months" it had been decided, in consultation with payers' money will pour endlessly in support of futile, irrelevant and expensive Socialist schemes.

"No Government should have such power, and especially not the Energy Minister, recently tipped as Arthur Scargill's selection for No. 10," he added.

Commenting on Lord Kearton's appointment, Mr. Jenkin said:

"We must assume that the chief aspects was its involvement in executive, despite the offer of Mr. Paul Getty blush, has not been found. We assume that that is not Lord Kearton's role: a salary which would make even 'Lunatics'."

Mr. Jo Grimond (L., Orkney and Shetland) said that the working of the Bill should be subject to ordinary planning procedures by lunatics for a lunatic situation while one of its most serious threats.

"We are told that this is in the national interest. What that really means is that it is in the Government's interest, and that is a very different thing."

He said: "It is a Bill produced by lunatics for a lunatic situation while one of its most serious threats."

"We have no reports of violence or disturbances, or in deed of resistance of any kind," Mr. Ennals added.

Str. Geoffrey de Freitas (Lab., Kettering) called for an assurance that the British High Commission staff in the country would be kept at full strength in case of civil or military disturbances.

"I will certainly give that assurance," replied Mr. Ennals. "It is their task to look after the interests of the British community as well as property."

Mr. John Cordle (C., Bournemouth E.) asked if the Queen's visit to Nigeria on October 14 would be going ahead.

Stressing the peaceful nature of the coup he said: "All MPs will hope such a visit will be carried out—which will do nothing but good."

But Mr. Ennals said it was much too early to give an answer.

Scottish crime squad change

THE SCOTTISH Crime Squad will be reduced from 50 to 50 men, Mr. William Ross, Scottish Secretary, said in a Commons written reply yesterday to Mr. Frank McElhone (Lab., Queens Park).

But Mr. Ross said that the terms of reference which the squad would be given would relieve it of routine work on minor crime in future and ensure that its skill and experience were concentrated on serious crime.

omnic sectors together with its Banking structure, energy resources, shipbuilding programme, industrial incentive schemes, and its commodity developments including soya bean production.

Brazilian international policy and its encouragement of foreign investment will also be considered in the survey.

The annual Financial Times Brazilian survey will give international businessmen a splendid opportunity of advertising in a publication which over the years has achieved considerable importance and influence.

The survey, intended for publication on August 29th, will analyse the Brazilian domestic and foreign economic sectors together with its Banking structure, energy resources, shipbuilding programme, industrial incentive schemes, and its commodity developments including soya bean production.

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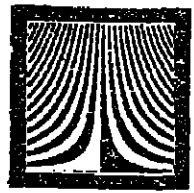
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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● NATURAL GAS

Big Dutch pipeline well on the way

EARLY IN August at Callantsoog in the north of Holland an important stage will be reached in the laying of the 120 km. long pipeline bringing ashore natural gas from blocks K and L of the Dutch sector of the Continental Shelf.

This stage involves pulling into the sea a section of pipeline crossing the dunes and beach and running 1850 metres into the sea.

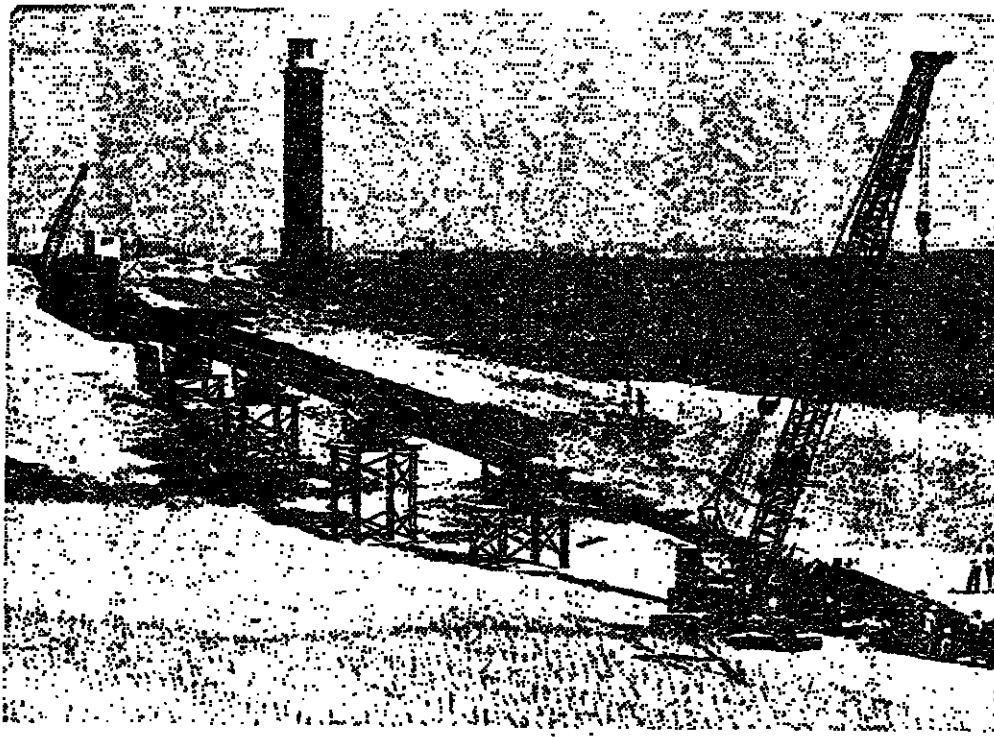
This crossing forms one of the most difficult operations in the project as the dunes are a natural barrier against the North Sea and conservation of the area was one of the most important factors to be considered. Consequently work in the dunes and surf zone has been carried out under a separate contract.

During the last few months, construction of this 2,300 metres section of pipeline has been undertaken on a dune site located behind a beach at Callantsoog. The programme of operations is reported to be progressing well and the requirement of Rijkswaterstaat (State Waterways Board) that the dunes should be closed off by 15th October, will be met.

The pipeline is to transport the gas to a processing plant now under construction at Den Helder. The whole project requires an investment of over Fls.300m.

Laying of the 450 metres of pipeline across the dunes and beach, and the first 1,850 metres of the marine section is being undertaken by Visser and Smit BV, of Papendrecht, the Netherlands (Royal Adriaan Volker Group) for Pennsoil Nederland Company (part of the Northwinning Group). The value of the Visser and Smit contract is about Fls.25m.

The second phase, the preparation of the marine section of the trench, was carried out by the trailing suction hopper dredger, Geopontes 11 and the suction dredger, Slidrecht 22,



Rollers carried on steel frameworks give virtually friction-free support to the pipeline when it is pulled through the dunes and through the cofferdam at left into the sea.

both owned by the Adriaan Volker Dredging Company. The pipeline is being pulled into the trench using Visser and Smit's winch, Pontra Maris, which has four 100-ton capacity winches. During the pulling operation the head pontoon lifts the nose of the pipe to avoid contact with the seabed and it can also correct the direction of the pull. Communications during the operation are through a central command post on top of the dunes and ships in radio contact with all vessels and work stations onshore.

A roller track has been laid out for the pulling operation, consisting of 340 thirteen ton capacity rollers at 7.5 metre intervals and 24 eighty-ton capacity rollers, mounted on towers, at positions and levels to convey the pipe safely over the dunes and maintain radii of curvature which will not overstress or damage the pipeline.

The trench into which the pipe is to be pulled, has been dredged and excavated in the marine zone, beach and through the first row of dunes. This operation was carried out in two stages. Before work could

commence on the excavation of the trench, a 370 metre long temporary access jetty was constructed, running across the beach and into the surf zone. Sand pumps and cranes were used to excavate the trench to the required depth.

To maintain the trench profile, a 570 metre long sheet piled cofferdam was constructed alongside the jetty and running as far back as the second row

of dunes. Once the pipeline has been pulled into the trench, backfilling will be carried out, the marine section by the trailing suction hopper dredger, and the area within the cofferdam by pumps and cranes. The jetty and cofferdam will then be removed and the dunes restored to their original state using plants housed at present in temporary nurseries.

The optional printing facility in effect provides a machine that will do high speed arithmetic, writing down the results as it goes. With ordinary display calculators it is often necessary to interrupt the flow to jot down results with pencil and paper; with conventional printing calculators lengths of print-out have to be scanned to find salient amounts.

Working from rechargeable batteries and supplied complete with charging unit, the machine is priced at £75 ex VAT. More from the company at 85 Holborn Viaduct, London EC1P 1AB (01-238 1010).

● CALCULATORS

Prints when necessary

FROM SPERRY Romington comes a portable calculator which prints input and results on 4-inch-wide paper tape, rather like "ticker tape", but only as desired by the user. The CP100 can be used as a normal eight digit display calculator with printer off, or the printer may be run continuously, recording all keyed input and output, or it can be triggered at will, printing only selected amounts.

Write Box E.6182 Financial Times, 10, Cannon Street, EC4P 4BY.

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Preferably in London or Home Counties. Existing management would be retained.

Alternatively would consider purchase of large, but not necessarily controlling, number of shares in small public company.

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Substantial Private Trust wishes to invest in existing Leisure Developments. Of particular interest would be Caravan and Chalet Sites, but all other kinds of development will be considered.

Please send fullest information, which will be treated in the strictest confidence.

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Smallish manufacturing group is interested in acquiring or associating with selling, contracting and/or manufacturing company in this market area.

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PLANT AND MACHINERY

RESALE WEEKLY in Europe's No. 1 magazine for plant and machinery. Free 01-271 221-223 10-day for your free copy.

● EXHIBITIONS

Cooperation on a big conference

AN AGREEMENT has just been signed between AMK Berlin and Online, Brunel University, Uxbridge, for international collaboration in staging a technological conference.

AMK Berlin is a partnership formed by the Land of Berlin, the Berlin Chamber of Commerce and Industry, the Berlin Marketing Council and the two associations of the Berlin Electrical Engineering Industry and of the Structural Ironwork Contractors and Machinery Manufacturers. It controls the extensive Berlin exhibition and conference facilities, including 24 exhibition halls, 45,000 square metres of structural ironwork and a 5,000-seat congress centre.

AMK is staging an international medical computing congress called Medcomp in November 1976 and has assigned Online to handle the total programme, including the call for papers, the appointment of chairmen and speakers and vetting of all the technical material.

AMK will be responsible for the promotion and sale of delegate tickets, especially as the majority of delegates is expected to come from Germany. In West Germany, every senior hospital conference and medical executive is entitled to two weeks a year for attendance at conferences and seminars on full pay in addition to standard holidays, in order to enable him to keep up to date on modern methods and techniques.

Online estimates there will be at least 48 speakers at Medcomp from more than a dozen different countries. Many papers will come from the U.S., where computing techniques are widely used in medical research, diagnosis and monitoring, but several

will be from the U.K. Other speakers will provide details of developments in Sweden, Germany, the Soviet Union and Japan.

Separate sessions will cover areas such as health care systems, privacy of patient records, standardisation of computing equipment and units of measurement, computer-assisted medical decision making, health screening and laboratory systems.

The main sessions will be aimed at medically qualified delegates and health service administrators, but there will be specialist technical sessions for the computer experts, covering visual display ergonomics, real time operations, microprocessors and microcomputers. A call for papers is now being made, and experts wishing to make contributions to the Medcomp Congress can receive copies from Online, Brunel University, Uxbridge, Middlesex. Uxbridge 38262.

● INSTRUMENTS

Wire wound sliders

NEAR PROFESSIONAL standards at commercial prices are claimed for a series of small one-watt slider potentiometers that are wire-wound as opposed to the more customary carbon track.

Made by Rivlin Instruments, Doman Road, Camberley, Surrey, GU15 3DJ (0276 21107), the units are intended for use where high precision, high quality and longer life without loss of accuracy are requirements.

The potentiometers are made with mechanical travel varying between 70 and 300 mm maximum and an operating force between 0.5 and 1.7 N (two to six ounces), depending on value. The resistance range available is between 10 and 700 ohms/mm of mechanical travel and the tolerance on overall value is

±10 per cent. Independent linearity on all lengths is 0.1 per cent.

Maximum power rating is one watt at 40 degrees C, 0.5 W at 70 degrees C, voltage rating 300V dc, and temperature coefficient less than 300 ppm/deg C.

Speeds up viscometry

RESULTS IN a tenth of the time normally taken for viscosity measurements are claimed for a kinematic viscometer with built-in small computer and crystal-controlled timer offered by Stanbury-Seta.

Six viscometer timing tubes are operated simultaneously, chosen from a supplied range of nine covering one to 1,000 centistokes. They are fitted by the operator into the borosilicate

glass oil bath in the body of the instrument which can be held within 0.1°C of any set point up to 110°C by means of electronic controller and thermostat. A two-stage heater with indexed controls allows temperature set points to be easily repeated.

Having keyed in data such as oil type, temperature and personal code the operator then awaits the results on the integral strip printer. The 0.3 ml sample attains thermal equilibrium before it reaches the timing positions on the calibrated capillary section of each tube. Then, the leading edge meniscus interrupts a fibre optic light path as it passes each mark, starting and stopping the timer. From the time the computer calculates the viscosity, which is printed out. Automatic cleaning and drying of the tubes follows. More from the company at Station Road, Chertsey, Surrey KT16 5BG (Chertsey 64391).

● METALWORKING

Cuts steel plate

NINE hydraulically operated beam type guillotines have been constructed to give a heavy cutting capacity both in mild steel and high tensile steels—have been added to the Adira range marketed in the U.K. by F. J. Edwards.

The machines can cut mild steel plate from 6.5 mm. x 2000 mm. to 10 mm. x 3000 mm. The machines are also equipped for handling stainless steel up to 6.5 mm. thick.

All the new models are fitted with pivoted top beams and have a cutting angle of between 13 and 14 degrees to ensure accuracy in cutting plate, and narrow off-cuts.

Five of the 600 Group's machine tool companies—The Colchester Lathe Company, BOC, S. Harrison and Sons, The Richmond Machine Tool Com-

pany, Hydro Machine Tools, and Camet Products—have each been given a Training Award Certificate by the Engineering Industry Training Board for the high standards established by their employee training schemes.

Gas welder will go anywhere

COMPACT and portable, a gas welding and cutting set, the Portapak, is trolley mounted, lightweight and makes it possible for repair and maintenance work, site operations, heating and ventilation applications to be undertaken with equipment which can be carried in the boot of a car.

An additional specially selected pack of welding and brazing rods is available so that the Portapak is ready to tackle most welding and cutting jobs within minutes of arriving on site.

Robust, large diameter wheels are fitted to allow the unit to be handled easily over both rough ground and smooth surfaces. For Portapak, BOC has developed special, small aluminium 24 cubic feet oxygen and acetylene cylinders. Each all gives Portapak a duration of up to 20 hours, operating time depending on the application. The cylinders are supplied on a long-term deposit system which is incorporated in the initial purchase price.

Overall weight of Portapak has been kept to 56 lbs, making it extremely handy to use compared to conventional equipment used in the past. With Portapak it is possible to fusion weld up to 5mm (5/16 inch) thick sheet; cut up to 20 mm (3/4 inch) thick plate; braze and hard solder; bronze weld or handle general workpiece heating operations.

BOC, Hammersmith House, Admi Division, Addressograph-Multigraph, P.O. Box 17, Maylands Avenue, Hemel Hempstead, Herts. HP2 7ET (0442 2251).

● TEXTILES

Counts yarn speeds accurately

AS SPEEDS of production of textiles rise and as raw material costs spiral upwards, the need for accurate control over processes becomes ever more critical.

In knitting, for instance, it is extremely important to know precisely how much yarn is being consumed by any particular construction, particularly if a new design is being tested.

A compact instrument has been developed in France by L'Institut Textile de France and is now being built commercially by Jaeger, Division Industrie (British representative: West Sussex Spiral, West Sussex RH14 9QX (040381 3633). Known as the XLP—extra large scale packaging—the cabinet has hinged panels or "pages" that swing out to allow

full simultaneous access to all wire wrapping and component surfaces. There are two standard models, the larger holding up to 5,184 DIPs, measuring 30 x 19 inches and the smaller up to 3,456 and measuring 22 x 19 x 19 inches.

Separate rack cabling and inputs/outputs are provided for each page and the pages are simply removed for service or replacement. In addition to rigid construction, mechanical stops protect components and wiring when panels are closed for shipment.

● SAFETY

Tracks gas exposure

AN INDIVIDUAL'S exposure to toxic gases throughout his working hours can be checked by using a small battery powered monitor from J. and S. Sieger of 31 Nuffield Estate, Poole, Dorset, BH17 7ZR (02013 6181).

Called the miniature continuous monitor (MCM), it operates on the basis of a strain produced on a slowly moving sensitised paper tape through which a level, the unit measures 159 x metered sample is drawn. At the 105 x 57 mm and weighs 900 end of an eight hour period the gas. The gas detection ranges from 0 to 0.05 ppm for TDI and through an optical reader linked to an x-y recorder, giving an exposure trace.

Claimed to be the first instrument for an 8-hour shift recording of toluene di-isocyanate and phosgene concentrations in a worker's "breathing zone," the instrument gives graphic data from which may be determined an accurate time weighted average, the duration and extent of variations from ceiling value and a time/concentration exposure profile. The MCM has both a monitor (MCM) and an American Bureau of Mines safety certificate.

Designed to be worn at chest level, the unit measures 159 x 57 mm and weighs 900 end of an eight hour period the gas. The gas detection ranges from 0 to 0.05 ppm for TDI and through an optical reader linked to an x-y recorder, giving an exposure trace.

Model 320 has features which hold tone transmitter is supplied and can be placed over the mouthpiece of a distant telephone. Messages can be monitored via the speaker if desired, and it is also possible to record two-way conversations.

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They use standard compact cassettes for both outgoing announcements and incoming messages so that the latter can be easily stored, played back on playback, of recorded messages, other cassette recorders or sent dictation facilities, change of cut-through the post. Announcements being announcement, and fast can run for up to 12 minutes location of any spot on the tape

while incoming messages can be up to an hour long. Announcements can be easily changed and a library can be built up on separate cassettes.

Incoming messages are logged on a counter and automatic gain control boosts weak ones ensuring audible reproduction. Messages can be monitored via the speaker if desired, and it is also possible to record two-way conversations.

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● MATERIALS

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INDUSTRIAL MODELLING composition or "clay" made by Chavant Manufacturing Company, 300, the C.S. is to be made and marketed under licence in the U.K. by Wilkins Campbell and Company, Britannia Works, West Drayton, Middlesex UB7 7NT (08954 42623).

Main uses of the styling clay to date have been U.S. and Japanese car manufacturers. Its composition makes it easy to work and it sets hard enough to be used as a mould.

After heating to 60 deg. C in almost any type of oven it can be applied by hand to the armature or modelling framework, and can be shaped or cut when cooled off. It can be joined easily without showing seams, and is paintable. These properties make it useful in vehicle styling since a shape can be changed in the wind tunnel to see the effect.

The company also expects applications in other areas including boats, toys and some domestic products.

Gives good impression

A DRAWING office material called Permatrace from Addressograph-Multigraph, which shows up in ink or pencil, is extremely stable and has high resistance to ghosting and damage.

The drawing surface is not a coating but an integral part of the base material, which is a mechanical mating supplies the "tooth" for fine drawing in ink or pencil while allowing easy erasure and withstanding pencil indentation. The company claims that the surface cannot be destroyed by erasing or buckling or removal by the application of heavy cylinders.

Movement due to normal changes in temperature and humidity are stated to be negligible—a particularly valuable characteristic for lofting applications, in accurate printed work, in cartography and in preparing specifications for multi-colour printing in the graphic arts.

The material is almost impossible to tear, dissipates static quickly and copes well at high speed due to its high transparency. It is supplied in sheet or roll form in thicknesses up to 175 microns. More from the Admi Division, Addressograph-Multigraph, P.O. Box 17, Maylands Avenue, Hemel Hempstead, Herts. HP2 7ET (0442 2251).

For small mouldings

SUITABLE FOR the production of small and medium-sized glass fibre reinforced polyester composite parts is a "twin pot" injection moulding machine from Ashtree Plastics, Barnham Broom, Norwich, Norfolk NR9 4DE (Barnham Broom 221).

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Once the vessels have been pressurised the machine needs only about one cubic foot of compressed air to displace the resin in the vessels and purge the machine with solvent between moulding cycles. A 3 hp compressor will operate the machine. Three versions are available with overall capacities of 12, 20 and 30 gallons of resin.

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The Executive's World

EDITED BY JAMES ENSOR

James Ensor suggests that recent Government rescues may lead to a 'Concorde syndrome' and analyses

The ways and means of rescuing British industry

AT LAST, the City is proving that it has a role to play in saving British industry. For many if not most industrialists have shared the view, bitterly expressed by Lord Stokes, that the City is more interested in property development, candy-floss enterprises and speculation, set harsher guidelines for loan extensions, they are likely to act more rapidly and with more flexibility than a Government Department.

Fodens

The rescue operation mounted there has obviously been some for Fodens by 22 institutions through a £3m. rights issue and a £6m. overdraft shows that there are still leaders in the City who believe that it can risk investment in an industry which has been expertly helping businesses through a bad patch. For the Foden

failure resulted from the ambitious investment in a small, but efficient assembly plant, essential for its future survival in an industry dominated by giants like Daimler-Benz and Fiat, whose truck output alone is ten times larger. The downturn in the British investment economy unfortunately coincided with the commissioning of the new Sandbach plant and Fodens ran into inevitable cash-flow difficulties.

There can, of course, be no certainty that Fodens will survive for the problems it is grappling with relate more to the structure and nature of the European truck market than to a temporary downturn in domestic demand. Fodens' major product, the eight-wheeler where it actually outsells the whole of British Leyland, represents a small market in Britain and a minuscule part of the



Three of the rescuers: Mr. Eric Varley, Lord Ryder and Sir Henry Benson

European scene. The problem is to convert the engineering skills

of Fodens' workforce and its component suppliers such as the remarkable Gardner engine business—into a shape which may merely intensify against it.

Ideally Fodens might have been merged into another, and obviously larger, European truck-manufacturing concern. These would have provided the access to a Continental sales and service network, to a full engineering and development centre and to a large-scale purchasing programme, without which Fodens will find it increasingly hard to compete in the mainstream of the market.

Volvo

Mr. Pehr Gyllenhammar, president of Volvo, did get his staff to check over both Fodens and ERF as possible means of expanding Volvo's interests in trucks, after the history of the U.S. demand for hot leisure products such as ski-ing boats or even lawn tractors should have taught somebody this lesson.

The problem with a financial rather than an industrial solution to a situation such as Fodens, which embraces both financial and industrial elements, is that it may dominated by the Japanese in much better shape than unlikely to be protected even other "rescued" companies by spending of this magnitude. Triumph. But in the absence dominated by tough and wily of any structural or industrial competitors.

Aston Martin, now rescued by a joint American Canadian group of investors and distributors, at one time looked like becoming a repetition of the Meriden saga. Fortunately, somebody in Whitehall was aware of the fate of Maserati, Lamborghini, Ferrari and the other prestige car manufacturers of Modena, who are all now fighting for survival in the decimated markets.

Daily News

Other Government rescues, from Scottish Daily News now facing a major shortfall in advertising revenue to Alfred Herbert and the Kibby Co. Operative are all likely to be back tugging at the purse string again in the course of the next few months. In no case does the amount of Government assistance provided seem to be anything like sufficient to buy the concern out of its troubles.

Since the Government schemes have not proved very successful, it is worth while examining the alternatives and the methods used in other countries. The first alternative, the institutional rescue as provided at Fodens is obviously to be preferred, on the grounds that they are likely to be better analysts of the industrial situation than Whitehall and less subject to Ministerial and Parliamentary interference. They are also likely to be the first resort for most ailing concerns.

But the institutions are unlikely to be able or willing to help in cases such as British Leyland or Alfred Herbert. Now will they provide the organisational and managerial input which might be required to put matters right and prevent the need for a repeat rescue? A Government of institutionally backed rescue by an industrial company, as with the Brown Boveri rescue of Kent is probably the ideal solution, for it provides for the necessary manufacturing and marketing revamp as well. This has tended to be the chosen method in Germany, where for instance the ailing truck industry was rescued—Krupp and Hanomag, Henschel going to Daimler-Benz, Klockner Werk to Fiat.

In Japan, too, the powerful banking institutions have generally rallied round a

troubled concern but have often insisted on a business re-organisation, sometimes complemented by a merger, as well. Thus the Sumitomo Bank saved Toyo Kogyo, after its Wankel engine debacle. Equally the Japanese Government has chosen to work through the institutions and big companies in solving Japan's own problems of industrial structure. Thus MTTI has made it plain that it wants the numerous small motor companies to coalesce under the capacious skirts of Nissan and Toyota.

The British problem is unfortunately likely to be too large, over the next few years, the resources both managerial and financial of the City. Clearly Government will continue to be involved in rescues in politically sensitive areas—which covers a wide compass, these days. So the right organisational structure, as Lord Ryder, has already made clear, would be to harness institutional funds and Government money and channel them through an expert body—such as the National Enterprise Board.

NEB

Hopefully, the NEB will be able to involve private capital in some of its rescues, and to sell off some of the less-lame ventures to business which can maximise their industrial potential. It would seem, at a minimum to be entirely sensible to sell off some of the non-car and truck operations of Leyland, such as its construction equipment, tractors and refrigerators—if buyers can be found.

Although there is never likely to be a surplus of funds to revive British industry, there does seem to be a danger of too many separate rescues. With Sir Henry Benson at the Bank of England, Lord Ryder at the NEB, the IDU and IDAB in the Ministry of Industry, the Lord Rothschild Think Tank and various institutional study groups, there is already a mass of advice on who should be saved and how. But the advice, like the money, should be directed and concentrated on the most efficient and effective source— which on present form would seem to be the NEB.

Italian bonanza for the accountants

BY MICHAEL LAFFERTY

THE RECENT appointment of former Treasury director-general, Sir Gastone Miccini, as President of Italy's long-awaited Securities and Exchange Commission marks the beginning of a major campaign to revitalise the country's nine bourses by bringing some degree of credibility to the financial statements of Italian companies. The Commission, bearing the initials CONSOB, has been established in accordance with a decree dated March 31, 1975, which also provides for the audit of the accounts of all Italian quoted companies by accounting firms registered with and approved by CONSOB.

All of which sounds very un-spectacular until it is realised that Italian companies—even leaders such as Fiat, Montedison, Olivetti, Credito Italiano and Mediobanca—are not accustomed to audits. In fact so far none of these companies has ever had its accounts audited.

But by far the most exciting and convincing aspects of this so-called "mini-reform" of Italian company law is the fact that most of the audits under the new decree are likely to go to the well-known "Big Eight" international accounting firms: Arthur Andersen; Arthur Young; Coopers and Lybrand; Deloitte, Haskins and Sells; Peat, Marwick, Mitchell; Price Waterhouse; Touche Ross; and Whinney Murray, Ernst and Ernst. This is because there are as yet no significant Italian accounting firms capable of carrying out full-scale audits.

The "Big Eight" are, with one or two exceptions, very well established in Italy: indeed Deloitte, Haskins and Sells and Price Waterhouse have been there since 1923 and 1928 respectively. However, since most of the international firms have so far been mainly concerned with servicing the subsidiaries of U.S. and U.K.

companies the new experience could well be mutual. The scale of the exercise is enormous and it seems certain to prove one of the greatest bonanzas that the international accounting firms have ever experienced. Although only about 200 companies are affected by the new decree one estimate is that there is at least \$150m. in audit fees at stake. In fact the audit fee of Fiat alone could well be as much as \$2m.

The new law contains many unusual features but perhaps the most controversial will prove to be clause which allows the Italian banks to establish their own accounting firms—presumably on the Swiss German model. It appears that this provision was entirely unexpected as there was no such reference in the various drafts of the law nor was there any mention of it throughout the extensive discussions which have been taking place over the past few years. On the other hand it is noteworthy that Reconta, one of the few Italian firms to have established a substantial practice over the past few years—mainly as a result of its association with Touche Ross—is controlled by Mediobanca (the major medium-term credit institution) which in turn is indirectly controlled by IRI, the Italian State holding company. Accounting firms such as this cannot be seen to be independent and it is encouraging to see that there does not appear to be any great rush on the part of the other Italian banks to cash in on the new deal.

Although they face little competition at the moment the international accounting firms are under strong pressure to "Italianise" their Italian operations. In this regard some have been more successful than others. For instance in 1974 over 80 per cent of the partners in Arthur Andersen's Italian offices were local Italian nationals in comparison with 15 per cent of Price Waterhouse's partners even though the latter firm has been in Italy over 30 years longer.

Another feature of the law which is likely to attract much attention is the stipulation that an audit appointment for a term of three years can only be renewed twice and may only be given again to the same firm after an interval of five years.

CONSOB is given extensive powers under the new law with regard to the authorisation and regulation of the accounting firms. Firms will only be authorised "on the basis of an evaluation of their independence, organisation and technical competence." All audit appointments must be submitted to CONSOB for approval and approval may be denied even because of "the number of appointments already undertaken."

Problems may well arise over the fact that while consolidated accounts are not required by the degree, an Anglo-Saxon accounting firm would almost certainly take the view that when a company belongs to a group only the presentation of the consolidated accounts of the group can give a true and fair as well as a complete view of the companies concerned. Should such a situation arise CONSOB has the power to require the preparation of group accounts. In many respects, however, this brave attempt to reform Italian accounting and financial reporting can only be seen as a starting point. It remains to be seen how Italian companies will react to auditors who cannot afford to bend the rules. As the auditing fashion catches on it is just possible that the larger unquoted companies will also find it worthwhile to take the plunge.

Should this happen it is just possible that by 1985 the accounts of the larger Italian companies could well be as reliable as those of any other nationals in comparison with 15 per cent of Price Waterhouse's partners even though the latter firm has been in Italy over 30 years longer.

Finance Act 1971, the provision appears substantially ineffectual. However, the Revenue's construction avoids absurdity and is undoubtedly the result of the date of the deemed sale and reacquisition at negligible market value is considered to be the date on which the claim under section 23(4) is made. By concession, a retrospective claim will normally be accepted if made within 12 months of the end of the tax year to which it is intended to relate and consequently you can now take your loss either for 1974-75 or for the current year, as you wish, or you can defer the relief until some future year, if you prefer.

Because of the Revenue's mis-take over the value of Rolls-Royce shares in 1971, a special concession for a longer period was given for retrospective claims under section 23(4), as reported in the Financial Times of January 24. It is understood that this concession has not yet been extended to any other company's shares.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All enquiries will be answered by post as soon as possible.

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Modern Purchasing magazine, in conjunction with Conference Planning Consultants, is holding a two-day conference "Purchasing in Europe" for executives who want to know how best to buy from abroad. The conference will have a strong emphasis on practicality. Experienced speakers, including a representative from the EEC Commission, will explain the markets, the Continental way of business and the most economic methods of transporting goods back to the U.K.

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- 4 Financial and commercial implications, including currency fluctuations.
- 5 Packaging.
- 6 Transport.

The date is October 8-9. The venue, the Bonington Hotel, Southampton Row, London. Cost is £66 per delegate for the two days (including morning coffee, lunch and table wine, tea and conference paper) plus £28 VAT. Cheques should be made payable to Maclean Hunter Ltd., and sent to Charles Clarke, Conference Planning Consultants, 23a Crown Street, Strand, London WC2N 5NT. 01-539 2616.

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BUSINESS PROBLEMS BY OUR LEGAL STAFF

Disappearing companies

Whose responsibility is it to inform a shareholder when a company has been struck off, or gone into liquidation? Three planning companies were declared a shareholder's firm to have gone but I have received no formal notification. Once a company has been struck off the register of companies it has ceased to exist. Provision is made by Section 353 of the Companies' Act 1948 for the restoration of a company to the register on the petition of a creditor or contributory. Such a petition would not normally be appropriate in the case of a public company. The companies to which you refer have probably gone into liquidation, in which case your only course is to inquire of the liquidators whether there are sufficient assets for any payment to be made to the contributory (shareholders). It is most unlikely that there would be, as creditors must first be paid in full.

Allowance for losses

A company in which I held shares requested the appointment of a Receiver at January 31, 1973. On January 17, 1973, I sold shares in a Unit Trust and made a capital gain. If the capital loss from the company in liquidation becomes effective on the date the Receiver was appointed I lose the 15 per cent tax credit on the Unit Trust shares. On the other hand, if the effective date is the time when the shares were declared of negligible value (October 1, 1974), then I do not lose the 15 per cent tax credit. Could you let me know which date applies? The relevant legislation, section 22(4) of the Finance Act 1965, is notorious for its bad drafting (although surprisingly the much-criticised wording was followed in the Irish Capital Gains Tax Bill at the end of last year). Indeed, if it is construed literally, it is in conjunction with paragraph 6 (1)(b) of schedule 10 to the

A tenancy of a farm

I have been working a farm, which was bought with trust money, for 11 years. The first two years I was given it rent free and thereafter have paid no rent but have paid rates. Have I established a tenancy? We do not think their is sufficient material for you to claim to have established a tenancy. The absence of any rent is crucial. We would also expect there to be some record of the basis on which you went into possession, for example, an exchange of letters. If so that record would need to be considered before any definitive advice can be given.



MONTEDISON

GOOD RESULTS 1974

After efforts made in the past three years to re-establish operating efficiency Montedison ended the 1974 financial year with results which allow a dividend payment for the first time in four years. Net profit of parent company amounted to 80.6 milliard lira, after depreciation amounting to 164 milliard lira, of which 14 milliard lira represents accelerated depreciation. In 1973 profit was 5.5 milliard lira and depreciation 146 milliard lira. Consolidated profit reached 123 milliard lira compared to 33 milliard for 1973.

The Annual General Meeting on 30th April 1975 approved distribution of 28.8 milliard lira, to shareholders, representing 33 lira per share of 500 lira nominal value. The dividend is payable from 6th May 1975. In addition, Montedison shareholders who opted for the Gemina shares have already benefited in 1974, by 20 lira for each Montedison share held.

The Meeting approved the allocation of the retained profit together with the profit carried forward from the previous financial year. 4 milliard was transferred to the legal reserve, 28.8 milliard lira to the dividend equalisation fund, and 24 milliard lira was carried forward. These satisfactory results have been obtained during a year in which problems resulted from increases in the cost of oil and raw materials, the adverse international economic situation, price controls which remained in force in Italy until the middle of the year, and reduced demand in international chemical markets which started in the autumn.

Parent company sales in the financial year reached 2,300 milliard lira of which exports were 724 milliard lira, showing an increase of 96 per cent over 1973. Total Group sales, i.e. to external companies, were 4,029 milliard lira, exceeding 1973 by 55.6 per cent. Petrochemical Division represented over 65.5 per cent of the Group turnover showing an increase of 106 per cent over 1973 thus making a significant contribution to the Group results.

aniline and with the Japanese company, SEKISUI, for expanded polyethylene and for PVC tubes. Agricultural Division doubled its turnover. The Dutch subsidiary, CNA, a producer of fertilisers, made a profit of 16 milliard lira compared to 2.6 milliard in 1973. Industrial Products Division increased turnover by 59 per cent over 1973, and ACNA (Dyestuffs) reported good results. Pharmaceutical Sector: sales by FARMITALIA and CARLO ERBA have been restricted by price control on specialty drugs in Italy, thus hindering satisfactory economic results. One of the most significant products obtained from the Group's pharmaceutical research, the antitumor agent Adriamycin, has passed the tests of the American National Cancer Institute and has obtained registration in USA. As a direct result ADRIA LABORATORIES INC. has been formed with the American chemical company HERCULES, to introduce into the North American market the products resulting from the Group's pharmaceutical research. The Fibre and Textile Sector—headed by the MONTEDISON subsidiary—was affected in the second half of 1974 by the international market recession which resulted in reduced sales and unsatisfactory results. However foreign subsidiaries, MONTEDISON FRANCE and MONTEDISON HISPANIA, have obtained positive economic results. TECNIMONT, the chemical engineering subsidiary, has achieved remarkable results both in Italy and abroad where orders amounting to 200 milliard lira were obtained.

Group research in 1974 in the chemical and fibres sectors was intense. Total cost, excluding technical assistance, was 56.8 milliard lira and 4,500 people were employed.

Among other significant results are the development of new catalysts for the production of polypropylene and HDPE, a new polyolefin fibrillate process for the production of synthetic paper, and polybutylene terephthalate.

Recent favourable agreement has ended the long dispute with some major American companies regarding MONTEDISON patent rights for isotactic polypropylene.

STANDA in the retail distribution sector has increased its sales revenue by 31.4 per cent with satisfactory economic results.

Financial Sector. FINGEST has obtained good results in the administration of its own investment portfolio which was reinforced by increased participation in the insurance field.

GEMINA made very high profits in the financial year 1973-1974. In the second half of 1974 the change in the financial market slowed down its activities in portfolio investment in Italy and in foreign exchange and commodities, but nevertheless results remain positive.

Capital Investment programme, started in 1973 was boosted in 1974.

Investment in new industrial plant amounted to 138.1 milliard lira in 1974 for the parent company and 242.6 milliard for subsidiaries.

MONTEDISON-MAIN ITEMS FROM THE BALANCE SHEET

	Montedison Parent Company		Montedison Group Consolidated	
	1974	1973	1974	1973
Sales	2,300 (1,640)	1,173 (837)	4,029 (2,874)	2,590 (1,847)
Labour Costs	356 (254)	281 (200)	933 (665)	780 (542)
Depreciation	164 (117)	146 (104)	283 (198)	237 (163)
Profit for the Financial Year	80.6 (57.5)	5.5 (3.8)	123 (87.7)	33 (23.5)
Fixed Assets	2,047 (1,460)	1,927 (1,374)	3,777 (2,409)	3,065 (2,168)
Accumulated Depreciation on Fixed Assets	1,060 (756)	908 (643)	1,859 (1,183)	1,533 (1,063)
Net Assets	441 (315)	374 (257)	454 (324)	404 (288)
Investment (in Group Companies)	578 (412)	536 (382)	237 (163)	230 (164)

* of which 10 (7.1) attributable to minority interests
* of which 6 (4.3) attributable to minority interests

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Singapore: 1, Raffles Place, Singapore. **Telephone:** 234-1200. **Telex:** 33-1200.
Calcutta: 1, Market Street, Calcutta 1, India. **Telephone:** 221-1200. **Telex:** 33-1200.
Bombay: 1, Colaba, Bombay 6, India. **Telephone:** 221-1200. **Telex:** 33-1200.
Mumbai: 1, Colaba, Mumbai 6, India. **Telephone:** 221-1200. **Telex:** 33-1200.
Madras: 1, Market Street, Madras 1, India. **Telephone:** 221-1200. **Telex:** 33-1200.
Chennai: 1, Market Street, Chennai 1, India. **Telephone:** 221-1200. **Telex:** 33-1200.
Coimbatore: 1, Market Street, Coimbatore 1, India. **Telephone:** 221-1200. **Telex:** 33-1200.
Trichy: 1, Market Street, Trichy 1, India. **Telephone:** 221-1200. **Telex:** 33-1200.
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WEDNESDAY, JULY 30, 1975

Planning on a 10% margin

THE ELECTRICITY SUPPLY industry is probably the best single example of the large losses which may be incurred, both by an industry itself and by its suppliers and customers, as a result of mistakes in forecasting. The industry is highly capital-intensive; it was to plan its investment programme several years ahead on the basis of forecast demand and, because of its monopoly position, there is no effective check on its forecasting. If it plans too conservatively and fails to meet the growth of demand for electricity, the political consequences are likely to be severe.

If, as has more often been the case in the recent past, it plans too optimistically and installs more new capacity than the actual growth of demand warrants, its own financial position will be undermined by the need to run some of its expensive capital equipment below full capacity and the position of its suppliers and customers will be seriously affected by sudden changes in tariff scales and orders for new equipment.

A flexible pricing policy is the only real weapon that such an industry has against the unexpected, and Government interference in pricing policy is bound to be damaging. The industry had to be given £176m. of compensation for underpricing in 1973-74 and will receive £238m. in respect of 1974-75.

Growth drops

The fact that prices (especially to the consumer) had to be held back at a time when costs of all kinds were rising rapidly was the main single reason for this huge loss. But it was not the only reason. Apart from greater efficiency in the production of electricity and an unusually mild winter, the limited price increases which were permitted had a marked effect—welcome in itself, but less welcome to the electricity supply industry—on demand. The gradual phasing-out of the nationalised industry deficits at which the Government is now aiming, and the consequent increases in tariffs, will reinforce this effect.

Competition between the airlines

THE LAST major review of civil aviation policy took place in 1969, when the Edwards Committee recommended the creation of a "second force" airline as a counterweight to the State corporations, British Caledonian was chosen to fulfil this role and it was encouraged to compete directly against the State airlines on certain routes, including the North Atlantic.

Last year the Labour Government decided that, in view of the drastic recession in the world airline industry (which, among other things, has obliged British Caledonian to suspend its scheduled North Atlantic services), it was time for a review of existing policies and, in particular, of the concept of two U.K. airlines being designated to serve certain long-haul routes. The results of the review were announced yesterday.

Competition

The conclusions appear for the most part to be a reasonable compromise. They recognise the practical limits to competition in an industry which is in any case dominated by the decisions of Governments, both in licensing new entrants and in negotiating traffic rights with other Governments; at the same time they accept that the private sector has made a considerable contribution and must be allowed to prosper.

The main changes are, first, that the system of dual designation on long-haul scheduled services is to be abandoned; British Caledonian will not be allowed to return to the North Atlantic or to set up in competition with British Airways on other long-haul services, and Laker Airways' Skytrain licence will now be scrapped. Second, British Caledonian will be given a "sphere of influence" for its long-haul services, based on West Africa and South America; there will be a mixed exchange of routes with British Airways.

The Edwards Committee's argument for a second U.K. airline on the North Atlantic was

that it would keep BOAC (then separate from BEA) on its toes, would enlarge the British share of the market and thus increase foreign exchange earnings. The evidence on market shares is not conclusive. Most of British Caledonian's gains on the North Atlantic were at the expense of British Airways; during the period of dual designation both airlines made heavy losses. Moreover, the introduction of a second British airline has to be negotiated with the "host" government; substantial concessions have to be granted, so that, overall, the gain to the U.K. may be slight.

The Skytrain proposal is in a different category since it is designed as a low-fare no-reservation service which no other airline is at present offering. The question that has to be asked is whether the Skytrain service is sufficiently novel (and sufficiently cheap) to attract a new class of passenger and so enlarge the total market. The Government believes that it would merely take business away from British Airways, but this needs to be supported by much fuller information on relative prices and market potential than was made available yesterday.

Workable

Laker apart, the new relationship which is now envisaged between British Caledonian and British Airways should be workable. Mr. Shore was right to reject the idea that the State should take a shareholding in British Caledonian; its value to the industry lies precisely in its commercial independence. How well it can withstand the present recession remains to be seen, but with its long-haul routes now assured and its European and domestic operations left untouched it should have the basis of a viable business. Its continued existence provides a check on British Airways and an alternative operator for those routes which the State airline cannot handle efficiently. This is a discipline to which too few State corporations are exposed.

Object lesson

But with the structure of costs still fluid and the reaction of electricity consumers to higher tariffs more than usually difficult to predict, forward planning of the capital programme has become immensely difficult. In the spring of 1974, the Electricity Council forecast a peak demand (given normal weather conditions) in the winter of 1981-82 of some 62,000 megawatts. This forecast was revised down in the spring of this year to 54,000 MW; but the Generating Board is so uncertain about the effect of price changes and the consequent new emphasis upon economy in the use of fuel that this is only a mean between two extreme forecasts of 49,000 and 59,000 MW, each of which seems at present to be equally likely.

No doubt the outlook will become slightly less obscure as the general economic situation develops, and it may be that the Board has reasons of its own for allowing a margin of forecasting error. There could hardly be a better object lesson, however, in the widespread and enduring consequences likely to follow Government interference in the pricing policy of a capital-intensive industry.

The background intelligence on Nigeria's military manoeuvres

BY BRIDGET BLOOM

ALMOST exactly nine years ago, at 11 in the morning of August 1, 1966, a relatively unknown Lieutenant colonel named Yakubu Gowon announced over the radio that he had taken over the Government of Nigeria. His broadcast came after four days of cliff-edge uncertainty. Gowon, then Army Chief of Staff, was a compromise choice of military men, not a coup leader. But he went on, through a bitter civil war, to govern Nigeria for longer than anyone else in its 15 years of independence.

Now Gen. Gowon is reported to have been deposed and, mirroring the July 1966 coup, may have been succeeded by another lieutenant colonel, a man even less well known than he was. It is dangerous to take too far the parallel between what is happening in Nigeria today and the events of nine years ago if only because Nigeria has greatly changed in that time. There is, however, uncertainty of a different kind today. There are so few only the scantiest reports of events in Lagos and the rest of the country following yesterday's 8 a.m. announcement by Lt. Col. Joseph Nnamdi Garba that General Gowon, in Uganda for the Organisation of African Unity Summit, was no longer Head of State. The country's borders and airports have been closed, and yesterday evening telephone and telex links were not operating.

Officer corps

Garba is a British trained officer of 32 who until recently commanded the Brigade of Guards at Dodan Barracks, General Gowon's office and his residence. Not much else is known about Garba, while nothing at all is yet known about who supports him, what his motives are, or what his policies might be. So little information has come from Lagos that no one can be sure even that Garba is the coup-leader, nor indeed, whether the coup itself has succeeded.

That does not mean however that one cannot find reasons for a coup in Nigeria today, even though the country, with 80m. people, 200-odd tribes and a sudden increase in oil wealth, is politically so complex that it is difficult to be sure which of those reasons might have motivated yesterday's coup attempt.

The starting point must be the Army itself, currently about 230,000 strong (the small Air Force and Navy account for a further 20,000 at most). Undoubtedly there have been grievances among the officer corps, although it is in the way of those grievances that most dissatisfied keep their grievances hidden from the outside world and from their commanding officers, in an army as big as the Nigerian, with its history of very rapid expansion and thus

officer promotion during the civil war, there are inevitably officers who feel left out. A round of promotions in 1972, for example, provoked and exacerbated existing dissatisfaction to the extent that in March of that year there were very widespread rumours that a coup was imminent.

Specific Army grievances have often motivated coups in other parts of Africa that they cannot be ruled out in the present case. But such is Nigerian life that few soldiers can be oblivious to what is happening in the civilian world around them.

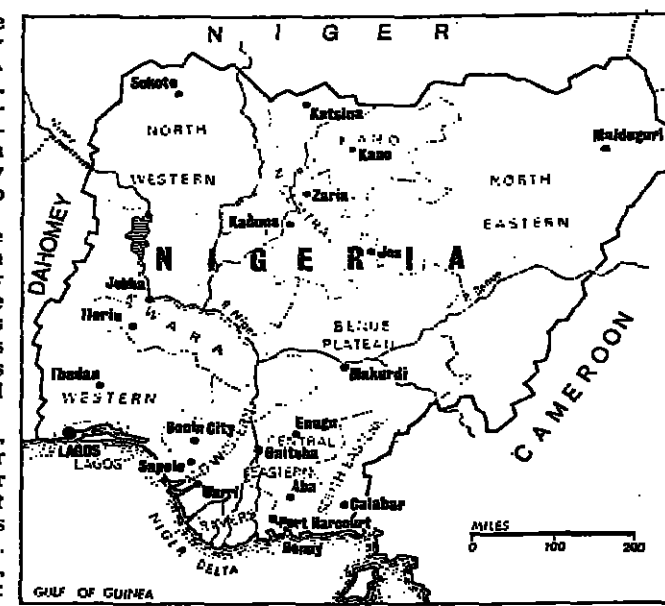
It is a curious fact that, though Nigeria has spent longer under military rule than under a civilian government, to most Nigerians military rule has always seemed an aberration. Nigerians by and large are vital, exuberant and individualistic; they thrive on politics. The coup makers of January 1966, who overthrew the independence Government of Sir Abubakar Tafawa Balewa, promised a corrective regime and a speedy return to a less corrupt civilian government. When General Gowon took over six months later, he announced the appointment of a constitutional commission to advise on a return to civilian rule, although this rapidly ran into trouble as the situation deteriorated into civil war. But within nine months of the war's end, on October 1, 1970, General Gowon announced that a nine-point programme would be carried out with the ultimate aim of civilian rule in 1976.

University professors

At the time, it was not only past and putative politicians who were alarmed at the prospect of another six years of military government. Many civil servants, university professors and others felt that, by pitching a date so far ahead, the military might persuade itself that it had to stay on. Observers of coups elsewhere in Africa pointed even then to the increased dangers of a further military coup if there were to be no carefully phased but fairly rapid transfer to representative government. There is one rule about military government which seems increasingly well proved: it can be removed only by military means.

General Gowon announced last October that the target of 1976 was "unrealistic" and declared that he intended to appoint a constitutional panel to look into eventual civilian rule. But he gave no date and had, anyway done nothing by the time he went to Kampala.

Much will depend on what yesterday's coup makers if they succeed, intend for Nigeria, but October 1, 1974, could in retrospect prove the significant



General Gowon (right) with Uganda's President Amin at the Organisation of African Unity conference in Kampala, where he heard news of the coup yesterday.

point in the decline of General Gowon's fortunes. The issue of civilian rule, given Nigerians' predilection for politics, seems paramount, but Nigerians have large gap between rich and poor. In some ways, no doubt, the recently launched development plan's aim of achieving a more equal distribution of wealth, this gap should have increased rather than diminished as oil revenues, boosted to a dramatic \$9bn. a year following the 1973 oil crisis, swelled the public and some private purses. The income of the average Nigerian remains little more than \$100 a year.

Most ordinary Nigerians are farmers and have no political voice, but working class discon-

tent in the major towns erupted at the beginning of this year when the trades unions, recently united, launched a series of strikes which looked like dealing a crippling blow to services in the towns and to some industries. Ostensibly, workers resorted to industrial action (and pitiless laws making strikers liable to prison sentences) because of the differentials involved in the recently announced Udoji wage awards. But they were also expressing their more deep seated resentment at having, hitherto, been left out of the "oil bonanza," as well as, perhaps, their resentment at being left out of the political process.

This is the background against which the coup makers acted, and on which they may draw if and when they make their explanations to the world. But there remain very many unanswered questions. Communications with the outside world have obviously been cut to allow those now in power to consolidate their position. No one outside Nigeria can yet know how well planned the coup was, nor what support it has within the Army. The three main divisional headquarters are in the western state capital, Ibadan, in Kaduna in the north, and in Port Harcourt in the east. But every major town has its army garrison, which is frequently several battalions strong. It may not matter if the coup makers do not have the support of the more remote of these, but whether they have the consent of all the key commanders who fought through the civil war under General Gowon's command is a vital question.

Successful comeback

At this stage, certainly, the possibility of a counter coup cannot be ruled out, although two major factors may militate against it. The first is that Nigerian officers, even though they may not agree with the coup, are only too aware of the danger of the coup leading to civil war. The second point is less straightforward. For not only are there very few exiles among the ousted leader making a successful comeback, but General Gowon's style of rule was such that it did not build up a body of very close associates, either inside the Army or elsewhere. One of the reasons he stayed in power so long is that he successfully balanced the myriad interests that make up the Nigerian scene. Despite widespread respect for him—particularly, for example, for his reconciliation policies towards Ibo at the end of the war—there may be few who rally to him now that he is in need.

But if the coup, in the most immediate sense, is consolidated, there is always the possi-

bility of an internal struggle for power which would almost certainly have tribal connotations. It is not known whether Lt. Col. Garba is the leader of the coup or not, but the fact that he is from Benue Plateau State, an area in which there are many small tribes, could, if he is the leader, be extremely important. Were Nigeria's new rulers for example, to turn out to be primarily Hausa from the North, or even Yoruba from the West (Ibo, who now have very few officers of any seniority in the Army, must be ruled out) there could be an ugly return to the old and far from dead tribally-based struggles. Again, part of the reason for General Gowon's long stay in power lies with the fact that he is a member of the Angas, a Middle Belt tribe which numbers less than 100,000.

Back to barracks

As for the policies that the coup makers might follow, one can only pose the various possibilities. It may be that the coup was primarily the outcome of a struggle for power, in which case it may simply be a question of exchanging one set of leaders for another. There was widespread dissatisfaction at General Gowon's failure to make a promised switch in military state governors. On the other hand, there are officers who feel that, whatever the difficulties, the Army should go back to barracks and leave the field to perhaps more dedicated civilian politicians. Least likely at the moment is that the coup-makers are radical officers dedicated to some revolutionary change (Nigeria as a whole, and the Army in particular, tends to be conservative and capitalist) but the possibility still cannot be ruled out.

Really, it is far too early to answer these questions. What can be said is that there will be a very large number of Nigerians, and certainly many people abroad, who will be sorry to see General Gowon go, despite his faults. He has given a great deal to Nigeria; he has allowed his civil servants, for example, to increase Nigeria's control of its own economy substantially without disrupting that economy or frightening off foreign investors. He saw the country through the civil war, and if he must bear some responsibility for that war, in the 12-state system, as well as in the gradual growth in federalism, rather than state power, he has given Nigeria a political framework which should make it much more governable in the future. A change in government need not mean a setback to the hopes of a stable and prosperous Nigeria in the long run. But only time will tell.

MEN AND MATTERS

Glass's Vantona comeback

What is Basil Glass doing? Just a few weeks back he was revealed to have taken a £138,610 compensation, at the age of 64, for moving from chair of Vantona, Amicably enough, he went there as Glass's heir apparent.

But there was a third party at Vantona, Herbert Pilkington, whose Modelux company had been taken over by Vantona and who has steadily bought up Vantona shares. After some disputes about who had what functions, Pilkington and Blackburn allied, persuaded the other directors it was time for Glass to go—Glass was blamed, unfairly he says, for bad profits in the French subsidiary. So, he maintains, he did not retire gracefully to collect his compensation; he was fired, he says, at a traumatic Board meeting last July, only being reinstated as chairman for a final annual meeting just to keep the row quiet.

But to most people's surprise, it was then Pilkington, not Blackburn, who emerged as chairman. United in opposing Glass, they are now divided on the Spirella bid. Glass and Blackburn, despite last year's unhappiness, are united in supporting it. Glass claims he wants a seat on the board to help the bid—a mean price for practicality, he says, or that if the bid fails, Vantona will have a split Board.

Behind the split lies the sort of boardroom tangle which Manchester specialises in and any wise film producer would buy the rights to. It started with Glass, having lost his brother and partner early, deciding Vantona would need him for a long time to come (he has a contract until 70) while he found an heir apparent. This turned out to be Blackburn, once a star of Joe Heman's Virella.

Hyman came, Blackburn got the chief executive's job when

ICI stepped in to form Carrington Virella. But above him he found a mighty forceful chairman, Jan Lewando, and in the course of some takeover talks between Carrington Virella and Vantona, the idea emerged that Blackburn might like the freedom of the m.a.'s. role with Vantona. Amicably enough, he went there as Glass's heir apparent.

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Hyman came, Blackburn got the chief executive's job when



"Gentlemen, the first thing on the agenda is 'Who's minding the store?'"

Exit and entry

Thomas Cook yesterday confirmed, in a terse statement, the departure of managing director Simon Kimmins, about whose contrasting relations with the Midland Bank (Cook's major shareholder) I wrote yesterday. But he does not step out into a void. On the board of Debenhams for three years, a friend of chairman Sir Anthony Burney for 20, Kimmins will switch from non-executive to executive director at the stores group.

Quite what he will specialise in there Burney says he knows but won't say yet. On the face of it Kimmins's career looks to be making some major shifts, from the London American export finance and marketing house he built up, through Thomson Cook and into retailing. But then Debenhams is also changing rapidly.

Among many gloomy views of retailing, Burney denies that Kimmins is moving from one troubled operation to another. "Whatever Sir Marcus Stief

says (he this week announced stock-cutting at Marks and Spencer) our business for the last two weeks has been higher than at any other time this year."

Offending cap

When you are making a loss, you get blamed for everything. The Post Office has even been taking stick from Sir Donald Kaberry, chairman of a subsidiary committee of the select committee on nationalised industries, for the way it dresses its postmen.

It is a "miserable, drab, ordinary uniform," Kaberry told the P.O. witnesses. No member of a brass band in the North (Kaberry sits for Leeds N.W.) would be seen dead in one, he maintained.

Denis Roberts, senior director of postal services, retorted that the uniform was merely a reflection of the changing social environment. For that reason it had come to resemble an ordinary lounge suit. "But you don't wear that miserable cap with a lounge suit," snapped Kaberry, quite a well-dressed fellow. On the defensive, Roberts pointed out that the caps with "lounge suits" were no longer compulsory.

Then they got back to less divisive matters, like increased postal charges.

Menu

British Steel's Special (Stainless) Steel Division and Eggn Runay yesterday made their Clean Kitchen Awards to five British Home Stores, three West Midlands Gas canteens, two pubs and restaurants—at a lunch eaten with Hong Kong made stainless cutlery. Well at least it wasn't South African chrome.

Observer

SECOND BRITISH ASSETS TRUST LIMITED

Six months to 30th June, 1975

In line with the policy approved by the shareholders at the Annual General Meeting in March of this year the Directors have decided to pay the year's dividend by way of one annual payment, which will be not less than 150p per share. It is intended to make the payment after the Annual General Meeting to be held in March 1976.

The Directors have been concerned about the very high level of the investment currency premium and have taken steps to reduce the size of the trust's exposure. A U.S.\$2m. loan has been arranged with our bankers, which funds have been used to acquire securities already held in the premium portfolio. Further sales out of the premium portfolio have also been made, and the total investment currency raised has been repatriated into sterling.

The unaudited figures for the six months to 30th June, 1975, together with the comparable figures for the six months to 30th June, 1974, are as follows—

	30th June 1975	30th June 1974
Total Income (See Note 1)		
Franked	£129,000	£173,000
Unfranked	465,000	564,000
Interest and Expenses	£334,000	£737,000
Taxation (See Note 2)	£122,000	£391,000
Preference Dividends	£100,000	£143,000
Half Year	£8,261	£8,261
Total Assets	£24,108,000	£24,617,000
8% Conv. Sub. Loan Stock 1975/88 (See Note 4)	£1,476,997	£1,478,421
Ordinary Shares in Issue	9,175,313	9,175,389
Net Assets available for holders of Ordinary Shares after deducting other prior charges at par	£16,403,000	£13,967,000
Equivalent per share to	179p	152p
or assuming full Conversion of the Convertible Loan Stock	188p	145p

NOTES

- The above figures reflect the effect of repayment of the Swiss franc loan which has reduced the overall size of the fund, with a consequent reduction in the income being earned.
- Taxation—Corporation Tax on unfranked income less interest expenses and withholding tax is £11,500 (£23,000). Overseas taxes are £25,000 (£38,000) and tax on franked income amounts to £43,000 (£54,000).
- The applicable amount of the full investment currency premium has been included in the valuation. The amount liable to surrender on realisation would reduce the amount available per ordinary share by 10p.
- Holders of £1,424 8% Convertible Subordinated Loan Stock 1975/88 have exercised their conversion "rights" this year and have been allotted 1,424 new Ordinary shares.

BCAL's attempt to get higher fares charged on the rival BA Glasgow-London service raises important issues, argues Michael Donne

The subtle shuttle of airline politics

A CASE being heard in public straight to the Shuttle gate, and by the Civil Aviation Authority boards the first available air-to-morrow in London could have far-reaching consequences for an experiment that is already showing signs of revolution in internal air services in this country. The hearing is advertised departure time of the over an application by the independent British Caledonian Airways to get the Shuttle service to rival British Airways' London (Heathrow)-Glasgow non-stop service raised the frequency of Shuttle flights reduced. BCAL's aim is to reduce the severe competition at week-ends—such that he that the Shuttle is offering to does not have to wait many its own "conventional" Gatwick-Glasgow jet service.

These applications are separate from the others put in this week by BCAL. British Airways and other airlines for higher domestic air fares generally. It is a coincidence that the Shuttle hearing, first held at about the same time that the bids for general fares increases are being made. The last year when there was no combination of the two, how-ever, means that, if the CAA allows the existing London-Glasgow fare on both the Shuttle and the BCAL service to go up from the present £19 single to £21. BCAL will still want to see the specific Shuttle single rate raised by more than the Gatwick-Glasgow rate, per-haps up to £23 single.

Guarantees

The Shuttle hearing raises a number of significant issues that go beyond the simple argument of one airline's seeking, through the existing licence machinery, to get another's competitive impact reduced. The Shuttle allows a passenger to travel by air between Heathrow and Glasgow without an advance booking. He just turns up at the airport, goes



The Shuttle in operation: ticket-buying on a London to Glasgow flight yesterday. Now the scheme's future is in the balance.

as the bigger and stronger operator, to withstand losses for a longer period of time than BCAL. This amounts to BCAL's view to unfair competition which, it feels, ought to be restrained by a tighter regulation of the Shuttle operation by the CAA.

It is an argument, however, that BCAL could just as well apply even if there were no such thing as Shuttle, for it could have claimed long ago that, as the weaker carrier, it ought to have been given a fares differential in its favour. Now, indeed, apart from fighting the Shuttle directly, it is seeking just this, through the new fares applications made to

Shuttle, being penalised financially to meet another operator's objections that it creates unfair competition. The Shuttle service on any route must have a high volume of traffic—say, around 400,000 passengers a year—BCAL would, however, probably have to work for many years before it got anywhere near enough to justify a Shuttle on the BA line. BA is also likely to argue that there can be no justification for a financial penalty on passengers who prefer to use the Shuttle rather than BCAL's service to and from Gatwick. If a passenger either prefers, or has, to go to Heathrow rather than Gatwick, why should he pay more for it? At present, in

BA's view, with the Shuttle fare equal to the Glasgow-Gatwick rate, BCAL could make its own jet service so superb in punctuality and quality that passengers flock to it instead of to the Shuttle.

BA will also argue strongly that, if the Shuttle is penalised financially in any way, or the volume of frequencies reduced, the economic basis on which the venture is built would be damaged so that it would perhaps be impossible to continue. The whole future of this new experiment in U.K. civil air transport is, therefore, virtually at stake.

Antagonism

These are the direct issues raised by the BCAL application. There are others, which go much deeper into the whole current situation of airline politics in this country. First among them is the basic antagonism between the two airlines. It is not difficult to find many people at all levels inside BA who have neither forgotten nor forgiven the fact that, under the Conservative Government, BCAL was given a boost by the re-allocation to it of some of BA's most lucrative routes, such as those to West Africa. It is not difficult, therefore, to forecast what the reaction would be among BA's work-force if it saw the Shuttle initiative being penalised to help out BCAL once again. Representatives of BA's workers do not lose many opportunities to point out that BCAL has already had to re-trench, including shodding some labour, as a result of current economic conditions, and they have already argued that the Shuttle fare differential would, in effect, be a "hidden subsidy" for BCAL.

The BA argument, therefore, seems likely to be that market forces ought really to be allowed to operate. BCAL will almost certainly argue strongly that the existence of a major second-force airline in this country is as essential on domestic routes as on international ones, and that some control ought to be exercised over the emergence of a massive State-owned Leviathan which in the long run could be only detrimental to the public interest. The BCAL bid is not likely to be affected by the Government's civil aviation policy review, the results of which were announced last night. As a result of the review, BCAL is virtually confirmed in its existing situation, except that it will not be allowed to compete with BA on certain long-haul scheduled services, such as across the North Atlantic and to Singapore. Mr. Peter Shore, Secretary for Trade, made it clear that he was anxious to retain BCAL as "a second centre of airline expertise in the U.K., and to do what I can to help make more secure the jobs of the substantial number of workers who depend on BCAL for their livelihood."

Letters to the Editor

Convenience flags

From The Administrative Secretary, International Transport Workers' Federation.

Sir—We were particularly pleased by and interested in the excellent article by Mr. Anthony Robinson (July 23). This served to substantiate our allegations about the grave shortcomings of a minority of the 6,000 (approximately) ships flying flags of convenience and the administrative control and supervision of all of them by Governments only too ready to sell the use of their national flag. It may interest Mr. Robinson and your readers to know that the tragic case of the Liberian ship "Seagull" would have received scant attention anywhere if we had not introduced it initially at a meeting of the major in the committee of the Inter-Governmental Maritime Consultative Organisation 18 months ago. Following this, the Liberian Bureau of Maritime Affairs (in New York, not Liberia) hastily arranged an investigation which led to publication of a report which led very much indeed to be desired.

If we had not mentioned the "Seagull" at IMCO, it is too late with all hands would have received the same attention as the vast majority of other disasters involving ships under flags of convenience over a period of many years—little or none at all. Has anyone ever heard of the official Governmental inquiry into, say, a Panamanian, Somali, Lebanese or Cypriot ship loss? The Liberians have carried out very few public inquiries though invariably in anticipation of, or following, international pressure and rarely with any convincing. The inquiry into the "Torre Canyon" disaster eight years ago is a case in point.

In his letter (July 24), commenting on Mr. Robinson's article, Mr. R. A. Huskisson, chairman of Lloyd's Register of Shipping, understandably sought to show that charges of bribery were unfounded in respect of the Society's ship surveyors who, he claimed, pay as much attention to flag of convenience shipping as to shipping under reputable flags. We should also understand if the principals of the other major shipping societies were in communication in similar vein, if only because they compete among themselves for classification business from owners of "convenience" fleets as well as from the Governments of flag-of-convenience countries. One fact is inescapable, however: the casualties of "convenience" fleets are far worse than all others. This has been repeatedly proven in statistics compiled and issued by Lloyd's Register of Shipping itself, by the Liverpool Underwriters' Association, by the Maritime Transport Committee of the Organisation for European Co-operation and Development and other highly reputable bodies completely independent of his federation and its maritime affiliates who have long been severely concerned about the heavy loss of seamen's lives in flag of convenience ships and the destitution of their dependants.

We are gratified to note the concern expressed by Mr. D. H. P. Dwyer, Chairman of the Maritime Transport Committee (July 23), about the absence of effective and responsible control of shipping under flags of convenience. After many years of demanding Government action at international level, we are heartily glad to see that more attention

is being given to the problem by international agencies now than ever before. An IMCO ad hoc working group on substandard ships meeting in London now will study ways of tightening up control by government inspectors of existing international conventions and in October this year the preparatory technical maritime conference of the International Labour Office will give the subject further attention.

One final point—we have yet to hear of any suggestion whatsoever emanating from Lloyd's Register or from any of its competitors for improving the casual records of the irresponsible, control and supervision of all of them by Governments only too ready to sell the use of their national flag. It may interest Mr. Robinson and your readers to know that the tragic case of the Liberian ship "Seagull" would have received scant attention anywhere if we had not introduced it initially at a meeting of the major in the committee of the Inter-Governmental Maritime Consultative Organisation 18 months ago. Following this, the Liberian Bureau of Maritime Affairs (in New York, not Liberia) hastily arranged an investigation which led to publication of a report which led very much indeed to be desired.

Honours degrees

From Professor A. Chisholm. Sir—Surely Mr. Hutchings cannot be serious (July 22) when he implies that the proportion of Honours degrees awarded by a university indicates its overall academic quality. Although it is commonly assumed that the external examining system ensures comparability of academic standards between one degree course and another, some academic will admit that the proportion of honours and ordinary degrees—and to a lesser extent even the student failure rates—in degree courses are substantially influenced by tradition and the conventions in individual institutions relating to their teaching and examining work. Incidentally, most Continental European universities seem to manage, in engineering at least, without an external examining system at first degree level.

Logic and the wealth tax

From the Chairman, The Legislation Committee, Smaller Businesses Association. Sir—I hope that you will allow me space to reply to Mr. Talbot's second letter (July 24) about pensions as there is an important principle at stake. Of course the opinion of the Committee on the Taxation of Retirement deserves serious consideration. It seems to me however to have twisted logic and common sense. Even though it is true that pension might be higher if pensions were lower, pensions are not deferred pay but a form of investment income obtainable on a salary or pension basis. Salary withheld from an employee for services performed and pension liabilities of the business concerned, and correspondingly are assets of the employee. It would be quite reasonable, prima facie, for an employer not to provide a pension but to expect an employee to invest in Government stocks, public company shares, etc., in order to provide for his retirement. That this is not done is principally because if these same investments are made at one remove, through an insurance company, there are worthwhile income-tax advantages. The investments are still the employee's assets,

though held indirectly. To argue that the privileges conferred on pensions for the purpose of income-tax justify further privileges for the purpose of wealth tax is invalid as the notion of deferred pay is an incorrect premise. By the system of wealth tax suggested in the Green Paper (Cmd 5704) a large proportion of tax payers who could hardly be called poor would come within various privileged categories. Only a small proportion of tax payers would be left to bear the full tax charge. It would be particularly unfortunate if the full charge were to be levied on the economically most productive taxpayers while others were excluded.

I appreciate that Mr. Talbot has made suggestions which could alleviate the effect of a wealth tax on smaller businesses; these would, however, make the tax assessments of private companies even more difficult than they are likely to be anyway if the tax is introduced. Further, if one goes by precedent, the relief would be cut off at a certain level by reference to capital turnover, or number of employees so that any business appreciably larger than a corner shop would not benefit. Rather than introduce yet more complicated exemptions, surely the sensible and logical course would be to subject all assets (including pension rights, subsidised housing, etc.) to wealth tax or, better still, not to introduce the tax at all. C. J. Dauris, Europe House, World Trade Centre, E.1.

Substitutes for tobacco

From Mr. P. Sharp. Sir—Vast sums of money are being spent on finding a substitute for tobacco that might save a number of self-inflicted wounds on those who insist upon perpetuating the habit. The real commercial object is, of course, to sell more cigarettes. How much of this sum is being spent in finding a tobacco that gives no offence to the non-smoker? More cigarettes mean more smoke, more eye and throat irritation, more ash and more litter and more fires from careless smokers. So long as the Government continues to obtain revenue from this source there is absolutely no incentive to make this major form of pollution. Peter E. M. Sharp, 244 Dover House Road, S.W.13.

Floating rates

From Mr. H. Meulen. Sir—Mr. Grey writes (July 25) "The idea that we can get by with a high rate of inflation by off-loading it on the exchange rate has done a great deal of mischief." But no supporter of floating rates that I have read advances this measure as a cure for inflation. What we say is that a country with an unfavourable balance of trade will reach equilibrium in its foreign trade more quickly and less painfully if it allows the money market to fix the value of its currency than if it imposes a credit squeeze at home. The fall in the value of its currency simultaneously boosts its exports and discourages imports, which is precisely what the situation needs; whereas to squeeze credit actually prevents the deficit country from producing. A country shows an adverse balance of trade when it has imported more than it has ex-

GENERAL

Conference on security and co-operation in Europe opens, Helsinki. First, two reports by Royal Commission on Distribution of Income and Wealth published. De La Rue (first quarter). COMPANY MEETINGS RPS Industries, 13, Marylebone Road, N.W. 12. British Gas Corporation annual report published. PARLIAMETARY BUSINESS House of Commons: Employment Protection Bill, remaining stages. House of Lords: Debate on Inflation White Paper, Second Reading and all stages of Finance (No. 2) Bill and Remuneration, Charges and Grants Bill.

To-day's Events

Caledonia Investments, 2, St. Mary Axe, E.C. 3. Cohen (George) 600, Grosvenor House, W. 11.30. Crosby House, Great St. Helen's, E.C. 12. De La Rue, Piccadilly Hotel, W. 11.30. Dunhill (Alfred), Quaglin's, S.W. 12. Eastern Produce, Winchester House, E.C. 5. Eva Industries, Manchester, 11.45. Evans of Leeds, Leeds, 12. Highams, Acropation, 12.30. Jones (H.C.), Luton, 3.

London Tin Corporation, Winchester House, E.C. 11.45. Minister Assets, Abercorn Rooms, E.C. 12. Mountview Estates, Russell Hotel, W.C. 12. Pysu, Winchester House, E.C. 11. Powell Duffryn, the Dorchester, W. 12. Rediffusion Ltd., Connaught Rooms, W.C. 12.15. Tobenol, Howard Hotel, W.C. 12.30. Vantona, Manchester, 12. W.G.J., Manchester, 3. Warren Tea, Great Eastern Hotel, E.C. 12. Westpool Investment Trust, 120, Chapside, E.C. 12.

Yearbook beats index

From The Manager, Investment Information Department, Sate and Prosper Group. Sir—I note with interest the price of the current yearbook, 1975, of British Labour Statistics. At £12 the book shows a rise in price of 54.6 per cent. since 1969, whereas, taking end of June figures, the General Index of Retail Prices (All Items) has recorded but a 70.5 per cent. increase over the same period. No doubt there have been improvements to the quality of the information contained therein, though in terms of volume the total number of pages has hardly changed fluctuating between 350 and 400 over the past five years. M. J. Shelley, 4, Great St. Helen's, E.C. 3.

Hitting out all round

From Mr. J. Little. Sir—There has been a good deal of controversy over the impression that the Government's anti-inflation measures bear far more heavily on employers than unions, something which I would certainly deplore. I submit, however, that a careful reading of the Parliamentary report (page 9) in your issue of July 22, contains two significant statements by the Chancellor, the importance of which has perhaps not been fully realised. Point 4 of the reserve legislation states that the Government will be enabled to reduce to the 25 level any settlement made after August 1, 1975. Surely, if this means what it says, then should a union force an employer, under threat of a strike, to exceed the 25 limit, and the employer does so, then not only would the employer be penalised, but the Government will also oblige the union to "go back to square one," that is, the union's militancy will have been nullified. In your report, as I see it, the Chancellor was even more specific when he went on to say when talking about the Government's major duty to ensure that no settlement was made above the limit, that: "It must resist pressures of whatever nature (my italics), to break the rules." Surely the words "of" must include a strike by a union to force an employer to concede a settlement above the 25 limit. In view of the above, the only conclusion I can come to is that, however much the Government may attempt to wriggle and prevaricate about compulsion on the unions, the Chancellor's words in effect have firmly committed it to act on both sides of industry, in the event of a breach of the rules. J. S. Little, Orchard Hill Cottage, Orchard Hill Rise, Gerrards Cross, Bucks.

THE BANK OF NEW YORK

LOAN OFFICE: 147 LEADERSHIP STREET, LONDON EC2A 4PU. TELEPHONE 01-283 5011. TELEX LONDON 884501-884502. CABLES: LOYBANK LONDON E.C. 2. (Cable Office: 48 WALL STREET, NEW YORK, N.Y. 10015. Int. operations with limited liability in the State of New York, U.S.A.)

The brief advertisement below appeared on February 23, 1784, heralding the founding of New York's first bank — The Bank of New York. And that date, significantly, was a year before the U.S. dollar was named the

official currency by Congress. Throughout the years since then, the Bank has established an enviable record of quality, strength, integrity and personal service and these are the qualities on which the Bank still prides itself today.

BEFORE THERE WAS A U.S. DOLLAR, THERE WAS A NEW YORK BANK.

Clayton Dewandre ahead—rights & placing

Scottish and Newcastle expansion

VOLUME SALES of beers and lagers by Scottish and Newcastle Breweries are ahead of last year, reports the chairman, Mr. P. E. G. Balfour. As a result of the Budget, sales of wines and spirits are lower, but the hotels and managed houses, helped by good weather, are up to expectations, he adds.

Prospects depend largely on measures to halt inflation, says Mr. Balfour. Modernisation achieved, together with further expansion, should put the group in a position to meet the upturn in market conditions following "a defeat of inflation," the chairman declares.

He points out that nearly two-thirds of the group's trade is in Scotland and says the NE of England and there areas are less likely to suffer than most in the event of a major recession.

The development of increased production facilities is almost complete. The full benefit will not be realised until total packaging facilities are brought into line with brewing capacity, and the distribution network updated.

Last year the Board expressed its determination to reduce capital expenditure as far as possible within cash flow. "Very careful thought" is being given to the implementation and time scale of the further programme, but in the current situation it could not be fully financed from cash flow.

It is for this reason that the Board, as known, is seeking fresh funds from shareholders by making a one-for-four rights issue to raise £21m.

Expenditure on the retail side has been largely confined to the completion of the building programme to which the group was already committed. The hotel chain has not been added to.

Other expenditure in the retail trade has been held back and a number of new starts on public houses and major reconstructions of hotels delayed.

During the year ended 27, 1975 all properties were revalued disclosing a surplus of £50m, and disposals since the date of revaluation have all been at figures close to, or above, the valuation charges including tax of £108,613 (£130,480).

As reported on July 18, taxable profits recovered in the second half and at the year end were £22.2m, against £23.2m, after charging £0.8m for the buy out of the Tyne Brewery productivity schemes, and a further £0.47m extra depreciation following the property revaluation. The dividend is 2.5225p (2.3907p) net.

Export sales of beers made good increases, especially in Belgium and Canada, and gains in position in whisky sales were shown in many markets.

An analysis of pre-tax profit by activity shows: wholesale beer £25.72m, (£22.85m), managed houses and hotels £3.65m, (£3.83m), wholesale wine and spirit activities £2.37m, (£2.88m), other activities loss £0.12m, (£0.96m). Share associates' profit £0.98m, (£0.98m). Group management costs absorbed £5.34m, (£4.39m). Pensions £1.23m, (£2.37m), and interest £3.37m, (£2.32m). Investment income added £1.54m, (£1.18m).

The chairman tells members that all the group's beers "continued to show a high degree of acceptance by the public and Youngers Tartan beer increased its sales for the tenth year in succession." "The directors have so far seen 'fair evidence' of trading down."

Chairman's statement Page 4

Sommerville reduction

On a turnover up from £2.89m to £2.72m, group pre-tax profit of £0.8m, (£0.98m), was made. Mr. Somerville and Son, decreased from £238,347 to £189,019 in the year to May 31, 1975.

Stated earnings per 25p share decreased from 16.46p to 14.31p. The dividend is lifted from 2.51p to 2.431p net with a final of 1.576p.

Net profit was £95,403 compared with £107,867 after all charges.

ATKINS BROTHERS (HOSIERY) LIMITED

"Pressure on our margins is severe and only an improvement in general economic conditions will alleviate this problem"

Mr. D. Styles, Chairman

The following are salient points from the Chairman's Statement to Shareholders:

- Group Profits for the year ended 31st March 1975 amounts to £540,352 (£404,388). Leaving a net profit after tax of £253,349 (£217,436).
- The payment of a final dividend of 1.87 pence per share making a total for the year of 7.245 pence is the maximum allowed under present legislation.
- The financial year started in boom conditions, but by the close of 1974, definite signs of a radical change were apparent, and by the last quarter of our year we were in the middle of probably the greatest world recession in textiles ever known.

"LUCKY CHARM" Tights, Panties, Hosiery, Stockings, Ladies' Underwear and Knitwear.

"HIGH CROSS" Men's and Boys' Underwear, fully fashioned Knitwear and Sportswear.

"JOLYNNE" Ladies' fully fashioned and made-up Knitwear.

Makers of

Notice of Redemption

Borg-Warner Overseas Capital Corporation

8% Guaranteed Debentures due 1979

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of September 1, 1966, under which the above-mentioned debentures are issued, \$907,000 aggregate principal amount of such debentures of the following distinctive numbers has been drawn by lot for redemption on September 1, 1975, the date of redemption referred to as the redemption date:

\$1,000 Corpus Debentures Bearing the Prefix Letter M

13	1778	2540	3437	4234	5099	5988	6846	7737	8536	9335	10132	10929	11726	12523	13320	14117	14914	15711	16508	17305	18102	18899	19696	20493	21290	22087	22884	23681	24478	25275	26072	26869	27666	28463	29260	30057	30854	31651	32448	33245	34042	34839	35636	36433	37230	38027	38824	39621	40418	41215	42012	42809	43606	44403	45200	45997	46794	47591	48388	49185	49982	50779	51576	52373	53170	53967	54764	55561	56358	57155	57952	58749	59546	60343	61140	61937	62734	63531	64328	65125	65922	66719	67516	68313	69110	69907	70704	71501	72298	73095	73892	74689	75486	76283	77080	77877	78674	79471	80268	81065	81862	82659	83456	84253	85050	85847	86644	87441	88238	89035	89832	90629	91426	92223	93020	93817	94614	95411	96208	97005	97802	98599	99396	100193	100990	101787	102584	103381	104178	104975	105772	106569	107366	108163	108960	109757	110554	111351	112148	112945	113742	114539	115336	116133	116930	117727	118524	119321	120118	120915	121712	122509	123306	124103	124900	125697	126494	127291	128088	128885	129682	130479	131276	132073	132870	133667	134464	135261	136058	136855	137652	138449	139246	140043	140840	141637	142434	143231	144028	144825	145622	146419	147216	148013	148810	149607	150404	151201	152000	152797	153594	154391	155188	155985	156782	157579	158376	159173	160000	160800	161600	162400	163200	164000	164800	165600	166400	167200	168000	168800	169600	170400	171200	172000	172800	173600	174400	175200	176000	176800	177600	178400	179200	180000	180800	181600	182400	183200	184000	184800	185600	186400	187200	188000	188800	189600	190400	191200	192000	192800	193600	194400	195200	196000	196800	197600	198400	199200	200000	200800	201600	202400	203200	204000	204800	205600	206400	207200	208000	208800	209600	210400	211200	212000	212800	213600	214400	215200	216000	216800	217600	218400	219200	220000	220800	221600	222400	223200	224000	224800	225600	226400	227200	228000	228800	229600	230400	231200	232000	232800	233600	234400	235200	236000	236800	237600	238400	239200	240000	240800	241600	242400	243200	244000	244800	245600	246400	247200	248000	248800	249600	250400	251200	252000	252800	253600	254400	255200	256000	256800	257600	258400	259200	260000	260800	261600	262400	263200	264000	264800	265600	266400	267200	268000	268800	269600	270400	271200	272000	272800	273600	274400	275200	276000	276800	277600	278400	279200	280000	280800	281600	282400	283200	284000	284800	285600	286400	287200	288000	288800	289600	290400	291200	292000	292800	293600	294400	295200	296000	296800	297600	298400	299200	300000	300800	301600	302400	303200	304000	304800	305600	306400	307200	308000	308800	309600	310400	311200	312000	312800	313600	314400	315200	316000	316800	317600	318400	319200	320000	320800	321600	322400	323200	324000	324800	325600	326400	327200	328000	328800	329600	330400	331200	332000	332800	333600	334400	335200	336000	336800	337600	338400	339200	340000	340800	341600	342400	343200	344000	344800	345600	346400	347200	348000	348800	349600	350400	351200	352000	352800	353600	354400	355200	356000	356800	357600	358400	359200	360000	360800	361600	362400	363200	364000	364800	365600	366400	367200	368000	368800	369600	370400	371200	372000	372800	373600	374400	375200	376000	376800	377600	378400	379200	380000	380800	381600	382400	383200	384000	384800	385600	386400	387200	388000	388800	389600	390400	391200	392000	392800	393600	394400	395200	396000	396800	397600	398400	399200	400000	400800	401600	402400	403200	404000	404800	405600	406400	407200	408000	408800	409600	410400	411200	412000	412800	413600	414400	415200	416000	416800	417600	418400	419200	420000	420800	421600	422400	423200	424000	424800	425600	426400	427200	428000	428800	429600	430400	431200	432000	432800	433600	434400	435200	436000	436800	437600	438400	439200	440000	440800	441600	442400	443200	444000	444800	445600	446400	447200	448000	448800	449600	450400	451200	452000	452800	453600	454400	455200	456000	456800	457600	458400	459200	460000	460800	461600	462400	463200	464000	464800	465600	466400	467200	468000	468800	469600	470400	471200	472000	472800	473600	474400	475200	476000	476800	477600	478400	479200	480000	480800	481600	482400	483200	484000	484800	485600	486400	487200	488000	488800	489600	490400	491200	492000	492800	493600	494400	495200	496000	496800	497600	498400	499200	500000	500800	501600	502400	503200	504000	504800	505600	506400	507200	508000	508800	509600	510400	511200	512000	512800	513600	514400	515200	516000	516800	517600	518400	519200	520000	520800	521600	522400	523200	524000	524800	525600	526400	527200	528000	528800	529600	530400	531200	532000	532800	533600	534400	535200	536000	536800	537600	538400	539200	540000	540800	541600	542400	543200	544000	544800	545600	546400	547200	548000	548800	549600	550400	551200	552000	552800	553600	554400	555200	556000	556800	557600	558400	559200	560000	560800	561600	562400	563200	564000	564800	565600	566400	567200	568000	568800	569600	570400	571200	572000	572800	573600	574400	575200	576000	576800	577600	578400	579200	580000	580800	581600	582400	583200	584000	584800	585600	586400	587200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INTERNATIONAL COMPANY NEWS + EURO MARKETS

Matsushita profits decline but domestic sales recover

BY PETER DUMINY

DOMESTIC MARKETS have recovered sufficiently to enable Matsushita Electric to push up sales in the quarter ended May 31, 201, and to forecast increased group sales earnings for the current six months.

Consolidated sales for the three-month reporting period (second quarter of the financial year) were 5.7 per cent. higher than a year ago at \$1.2bn.

Despite a 22 per cent. fall in exports, compared with the first quarter, in which sales and earnings fell below the year earlier totals, overall turnover was 15 per cent. higher and exports rose 12 per cent.

Earnings at the half-way mark were still very depressed. They came out at \$21m. for the second quarter, unchanged from the first quarter's and less than half the \$46m. of the comparable 1974 trading period.

The reduced margins appear to be the result of exceptionally low prices for a number of products, including high-throughput, low-profit products, including utilitarian-type colour television sets.

The company reports recovery in product development. Products unveiled in the past three months have included all-wave portable radios and digital clocks. There are believed to have been continued strong sales of microwave ovens.

The targets for the current six months are sales of more than \$2.2bn. and earnings exceeding \$22m.

Hongkong Gas earns more

HONG KONG, July 29.

HONGKONG AND CHINA Gas said its increased interim dividend reflects a substantial improvement in profits in the first six months this year. The company announced an interim dividend of 40 cents for 1975 on capital increased by a one-for-five rights issue compared with 30 cents interim last year.

The company said the increased profits reflect a rise in the number of consumers using town gas and improved operating efficiency.

HONG KONG, July 29.

Earlier this month, in a letter to its shareholders recommending rejection of a take-over bid from Hongkong Electric, the company forecast increased profit, larger dividends and good growth prospects.

The company said it expects to publish detailed first half results later this week. It earned after-tax profit of \$183.88m. in 1974 and an unchanged total dividend of 70 cents for the year. Reuters

ABN to bid for Mees en Hope

By Friso Endt

ROTTERDAM, July 29.

MEES EN HOPE, the distinguished Dutch banking group, will be taken over by Algemeene Bank Nederland (ABN).

The two managements said today in an official statement that negotiations have started, and that the outcome of the negotiations will be made public "as soon as possible".

A bid from Algemeene Bank for Mees en Hope is expected by the Amsterdam Stock Exchange at a price of Fls.154. No one in Amsterdam financial circles doubts that the merger will succeed. To-day dealings in ABN stock were suspended.

The new bank which emerges from this merger will comprise 24,000 personnel (ABN 21,000 and Mees en Hope 3,000). Based on the 1974 financial figures, turnover will be Fls.38bn. This means that ABN-Mees en Hope will be Holland's largest bank. In Holland it will surpass Rabo Bank and Amsterdam-Rotterdam Bank which at present is bigger than ABN since taking over Pierson Holding and Pierson this spring.

Mees en Hope is a highly diversified bank which also runs a large investment section and a real estate section.

From Dublin, Giles Merritt discusses the problems of Ireland's lone conglomerate

Fitzwilton in reverse

THERE WAS a time, not so very long ago, when the senior directors of the Fitzwilton group could scarcely stroll the streets of Dublin without sparking market-moving rumours. When Ireland's lone conglomerate was enjoying its heyday, recalls one director, the share price of a leading Irish hotel chain went rocketing inexplicably skyward simply because he was seen carrying a document bound in the same blue as its annual report.

Retrenchment

These days, the boot is on the other foot. The question is not what Fitzwilton is buying but what it is selling. Put politely, Fitzwilton is entering a period of retrenchment and consolidation. Faced with crippling interest charges on borrowings, which have jumped from a 1972 level of £2.2m. to today's figure of nearly £28m., the group has set itself the target of realising assets worth £5m. by next June. In the last week Fitzwilton generally unsatisfactory situation has come to a head—the catalyst being the refusal of one of its ten bankers to renew a £1m. acceptance credit line, which in turn caused a flurry of meetings between Fitzwilton and its remaining bankers, and eventually a company statement emphasising their continued support.

Other developments came so thick and fast during three short days that it began to seem that Fitzwilton was in serious financial difficulty. It announced it was in a position to pay a dividend of 4.2m. new ordinary shares to Fitzwilton, one result of which was that Mr. O'Reilly's personal holdings in Fitzwilton were worth £1.97m. and those of his two partners £1.48m. each. With the blue chip Guinness firm foundation on which to build, Fitzwilton seemed set for a spell of workmanlike expansion.

The honeymoon, however, was short-lived. The share price dropped six pence to 35p in the first 1975 quarter. As the share price dropped six pence to 35p in the first 1975 quarter, when Fitzwilton was the go-go darling of the Stock Exchange.

The Fitzwilton phenomenon began as recently as April 1971 when three young men—Tony O'Reilly, the celebrated Heinz marketing whiz-kid, Vincent Ferguson, who had worked with him on an Irish foods venture, and ex-financial journalist Nicholas Leonard—formed a small holding company called Fitzwilton Securities. In association with the NatWest subsidiary Ulster Bank, which held a 30 per cent. stake in Fitzwilton, they started with a share capital of £100,000 plus a further £400,000 in loan capital from the bank.

By May 1971 the Fitzwilton partners had acquired 54 per cent. in an old-established whole sale drapery business, Crowe, Wilson and Co. Far from progressive, with annual sales of only £2m., Crowe Wilson was nevertheless a quoted company and thus became a useful shell for Fitzwilton.

By mid-1972 they were ready to bring off a spectacular coup. W. and H. M. Goulding and Co., the major Irish fertiliser group, was suffering one of the downturns in its cyclical business, but with a healthy profit recovery forecast was flirting with the idea of a merger with the Smith group, Fitzwilton, using Crowe, Wilson as its vehicle, put in a counter offer. In the end, Gouldings finished with 70 per cent. of the newly constituted Fitzwilton group, with their Chairman heading the new alliance, but with Tony O'Reilly as its chief executive, sharing the reins with his lieutenants, Messrs. Ferguson and Leonard. The basis of the deal had been Goulding's agreement to issue 4.2m. new ordinary shares to Fitzwilton, one result of which was that Mr. O'Reilly's personal holdings in Fitzwilton were worth £1.97m. and those of his two partners £1.48m. each. With the blue chip Guinness firm foundation on which to build, Fitzwilton seemed set for a spell of workmanlike expansion.

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'Serious wrongdoing at Haw Par' says Singapore Minister

BY ILSA SHARP

HONG KONG, July 29.

THE STORM clouds looming over Haw Par Brothers International today darkened with the Singapore finance minister's statement that there was evidence indicating "serious wrongdoing" in the company and a director's secretary charged in court with an attempt to conceal documents from the inspectors now conducting the Singapore Government investigation into the company.

Considerable controversy has surrounded the Singapore-based company since the now very uncertain plan for a £25m. link with the Malaysian Government controlled Pemas Securities, the later establishment of the Singapore inquiry into Haw Par's affairs and the recent resignation of three of the company's directors.

The Minister for Finance, Mr. Ron Sui Sen, made his statement today in Parliament, also indicating that steps would be taken to compel the resigned Haw Par directors, Mr. James Gammell, Mr. Donald Ogilvy Watson, and Mr. Pan Tam, to appear and give evidence before the two inspectors. He also reiterated his

reassurance to Tenku Razaleigh Hamzah, chairman of Pemas, that "there is no intention to frustrate the legitimate aspirations of Malaysia in the control of its own natural resources."

The present Government investigation, he said, was triggered by information received which "strongly suggested that there might have been misapplication of company funds in the past. The information was about transactions which took place well before, and did not appear to be related to, the proposed deal between the company and Pemas. Preliminary investigations tended to confirm the suspicion that there may have been serious wrongdoing on the part of some of the company's officers."

Mr. Hon cited evidence that Haw Par directors had formed a company in Hong Kong in 1972, called Spydar Securities (Hong Kong) for share dealing to their own personal benefit. There was also evidence, he said, that directors had set up unit trust operations to circumvent the provisions of the Companies Act and Glodhill, the firm, which acts as legal adviser to Haw Par.

Referring to the resigned directors "rather hasty departure" from Singapore, Mr. Hon said that motion papers had been filed in the High Court today and contempt proceedings would be heard if the directors failed to turn up as witnesses.

The case of Miss Sylvia Tan Huan Tin, secretary to Mr. Ronald Brand, one of the remaining Haw Par directors, will come up for mention in court on August 2. She was charged to lay under section 206 (1) of the Singapore Companies Act, a section which relates to international deceit, delay or obstruction of a Government investigation by attempting to destroy, conceal or send out of Singapore relevant documents. She pleaded not guilty and is defended by Messrs. M. Karthiges of Allen and Gledhill, the firm, which acts as legal adviser to Haw Par.

Swedish upswing overdue

BY JOHN WALKER

STOCKHOLM, July 29.

LAST YEAR Sweden's 200 largest companies had new record profits which rose by nearly 60 per cent. over the previous year, it is stated in an annual review made by Veckens Affarar, the Swedish weekly business magazine. The total adjusted profit after tax of the top 200 companies amounted to Kr.9bn. (£950m.), an increase of 59 per cent. over the 1973 total of Kr.5.6bn.

Last year, the magazine says, was the year when big business grew bigger and stronger. They sold more, and they sold it at a far better profit than ever before. The profit figures rose considerably faster than turnover, which for the 200 companies totalled Kr.27.9bn., an increase of 29 per cent. over 1973. Profitability reckoned as yield on capital employed was raised in 1974 to 10.7 per cent. from the average of 8.6 per cent. in the previous year and only 5.9 per cent. in 1972.

Veckens Affarar calculates that about 30 per cent. of 1974's big

profit leap can be attributed to the changed prices of companies' inventories. This figure is in average. In the case of the chemical corporations, more than half the increase is due to inventory profits, for iron and steel the inventory profits are around 40 per cent. of the total profit improvement.

Companies which were already big in Sweden have as expected, the report states, become bigger still in 1974. In the list of the 25 most profitable companies in Sweden the multi-national Rank-Xerox has been toppled from first place by a corporation which is half Swedish-owned. Nineteen seventy-four's most profitable company was Unifors Kemi (owned by Kema Nord and Union Carbide in equal proportions) with a return of 43.1 per cent. on working capital.

The Billion Club, that is, companies with a turnover exceeding Kr.1bn., has acquired 16 new members and now comprises 71. Veckens Affarar concludes.

Roehling-Burbach expects loss

BY GUY HAWTIN

FRANKFURT, July 29.

ROEHLING-BURBACH, the depressed Saarland's leading steel concern is going through one of its worst business years since the war. Its Executive Board has told shareholders to expect the company to make a loss this year.

The concern is in much the same boat as West Germany's other steel makers and the laconic warning of "distinctly negative business results" for 1975 can scarcely be described as a surprise. Roehling blames its plight on the steel recession in general and the collapse of the export market in particular.

In the may steel sector Roehling is heavily dependent on exports. The concern ranked as the world's 35th largest steel producer, derives some 50 per cent. of its turnover from overseas trade—somewhat above the West German average. The situation, however, is rather better in the special steels and the steel processing sectors.

While the concern is looking to its investment programme—and the end of the steel recession—to provide the structure for future profits, the current losses follow one of the best years on record. The Roehling group's turnover soared by a satisfying 28 per cent. from 1973's DM1.63bn. to DM2.26bn.

As with the other steel concerns, increased turnover tended to reflect higher world prices rather than increased production. Output, however, rose substantially in all sectors. Raw iron production went up 13.9 per cent. compared with 1974, year before to a historical total of 2.46m. tonnes, while raw steel output rose 12.1 per cent. to 3.35m. tonnes. In the rolled

steel sector output was 14.8 per cent. ahead of the previous year's total.

Personnel costs went up substantially despite a small decline in the number of employees. The work force dropped from 22,365 in 1973 to 22,351 in 1974. But pay and other staff benefits, including social security, rose from 1973's DM637.3m. to DM754.1m. last year.

Profits, however, also went up. Net profits, which totalled DM43.3m. in 1973, almost doubled to reach DM81.9m. last year. The Executive Board commented that for the first time since 1970 the concern was able to pay a "suitable dividend". Distributed profits totalled DM13m.

Capital investment in 1974 declined heavily—from 1973's DM109.9m. to DM72.6m. At the same time depreciation substantially increased from the previous DM112.5m. to DM126.1m.

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Estel prospects outlined

By Friso Endt

ROTTERDAM, July 29.

THE RESULT of Estel NV (Hoogovens, Holland/Roesch, Germany) will be pretty disappointing this year. Net profits for the first quarter of 1975 decreased from Fls.35.5m. to Fls.27.5m. for the first quarter of 1974. This was published in the prospectus for the issue of Fls.125m. 9 per cent. bonds 1981-85.

Actually, the company said in late May that the result for the whole of 1975 will show a loss, while recovery prospects for 1976 would be slight.

For 1976 Estel expects growing demand, which will require enlargement of its production facilities. The new bonds are being issued to finance the necessary capital expenditure in this connection.

Pirelli holders complain

By Anthony Robinson

MILAN, July 29.

ALTHOUGH Pirelli SPA, the Italian equivalent to Dunlop Holdings, decided to pay a L50 dividend for the financial year ending April 30, 1975, its shareholders are complaining that the company has been virtually halved through inflation in the intervening period.

The principal cause of Pirelli SPA's unsatisfactory financial performance is that continuing losses by the principal Italian operating company Industrie Pirelli have all but eclipsed the higher dividends from both Pirelli and Dunlop overseas activities.

In the financial year to end April 1975, Pirelli SPA reported a net profit of L2.8bn. after deducting Industrie Pirelli losses of L1.15bn.

In the financial year ending April 1974, Pirelli SPA reported a loss of L2.67bn. thanks to Industrie Pirelli losses of L1.68bn.

But shareholders' gloom this year is due principally to the fact that Industrie Pirelli is again in deep water as its principal tyre, cable and other activities have been hard-hit by the downturn in the Italian economy which has particularly hit the automotive industry, telecommunications and building.

The latter being two principal users of Pirelli cables.

It is under these circumstances that Pirelli has announced what amounts to the second five-year reorganisation plan in two years.

Strong start at SGB

BY DAVID CURRY

BRUSSELS, July 29.

SOCIETE GENERALE de Belgique (SGB), Belgium's largest holding company, has reported a strong six-month advance and the probability of an increase in full-year earnings.

The company has reported that its holdings at the end of June were worth B.Fr.21.27bn. (£260m.), against B.Fr.18.72bn. at the end of 1974. Break-up value of the company amounted to B.Fr.3.718 per share against B.Fr.3.315 per share at December 31.

The company notes that dividend payments to it have increased in the first half in accordance with expectations. The major sectors in which SGB is involved embrace banking and financial services, steel, energy,

Koyo Seiko the Japanese ball-bearing manufacturer, has made a Sw.Fr.30m. five-year private placement, coupon 84 per cent. Reuters reports from Tokyo.

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Strong growth at Bawag

BY PAUL LENDVAI

VIENNA, July 29.

BAWAG, THE Austrian unions' personal loans to the tune of bank reports "vigorous expansion" during the first half of 1975.

The director general, Herr Walter Floettl announced at a press conference that credits during the January-June period were up by 4.4 per cent. to Sch.13bn. (£342m.). Compared to June 1974 however, the rate of growth was over 15 per cent.

A particularly rapid increase was recorded in the category of small personal credits. Thus, through the mediation of shop stewards more than 17,000 new

personal loans to the tune of Sch.900m. were granted. Primary deposits were up 7 per cent. compared to the end of 1974 and 17 per cent. on the level a year before. Savings deposits rose by Sch.412m. to over Sch.5,000m. This means an increase of 9 per cent. Compared to June 1974, there was an advance of Sch.900m. or 21 per cent., while the overall growth rate in Austria was only 18 per cent.

Herr Floettl revealed that the latest opinion surveys in July indicated a more optimistic attitude among consumers and a trend towards somewhat higher consumer spending. Herr Floettl reckons with a "real upswing" in the summer of 1976.

This advertisement appears as a matter of record only.

Aksjeselskapet NORCEM



U.S. \$20 million medium term loan

DEN NORSKE CREDITBANK HAMBROS BANK LIMITED

Provided by

Bank of America International
Bank of America (Jersey) Ltd.
Canadian American Bank S.A.

Den norske Creditbank (Luxembourg) S.A.
Dresdner Bank AG, London Branch

First Chicago Limited

Frab-Bank International

Hambros Bank Limited

International Commercial Bank Limited

Nordic Bank Limited

RBC Finance B.V.

Société Lyonnaise de Dépôts et de Crédit Industriel
The Bank of Nova Scotia (Channel Islands) Limited

HAMBROS BANK LIMITED

as Agent

July, 1975

WALL STREET OVERSEAS MARKETS + FOREIGN EXCHANGES

Early rally fails. off another 2.97 \$ remains firm

BY OUR WALL STREET CORRESPONDENT

AN EARLY RALLY on the fourth consecutive monthly rise in the Government's Index of Leading Economic Indicators failed to hold on Wall Street today, and the market did an about-face to stretch its losing streak to ten sessions.

After opening 8.61 up at \$34.41, the Dow Jones Industrial Average retreated to \$33.14 before finishing at \$32.80, for a net loss of 2.97 points.

The NYSE All Common Index shed a further 31 cents to \$47.20, while losses led gains by 47.10-47.47.

Trading volume expanded 4.13m shares to 10m.

The early buying allowed the 1.9 per cent rise in U.S. Leading Economic Indicators for June, which helped confirm signs that the economy is rebounding.

But later in the session, Dr. Arthur Burns, chairman of the Federal Reserve said he fears the Soviet deal to buy grain from the U.S. might result in stable increases in food prices to U.S. consumers.

Burns also said he thought the current month will show "an uncomfortably large increase."

General Motors lost a fraction although it came in with improved second quarter earnings, while Chrysler edged higher despite a loss for the period against a profit a year earlier.

American Motors held unchanged at \$81.10, expects to "return to profitable operations" in the third quarter ended June 30.

U.S. Steel was firm on higher first half year earnings despite a decline in the second quarter. Copper Range rose \$2 to \$51.10 and Amax hardened \$1 to \$51.10.

Pittman improved \$1 to \$71.10 on higher earnings, a related quarterly dividend plus a two-for-one stock split.

Monroe McCormack tumbled \$1 to \$77.10, after rising more than \$2. It reported sharply higher second quarter profits, but forecast a weak third quarter.

Magie Investment gave way \$1 to \$13.10 on first half net \$2.85 cents a share.

American Bakeries rose \$1 to \$12.10, after rising 12 weeks net. Reverse Copper and Brass fell \$1 to \$8.10 on a second quarter net loss and omission of a dividend.

The American SE Market Value Index moved down 0.63 to \$59.69, with declines outnumbering advances by 427 to 203.

OTHER MARKETS

Canada mixed

Canadian Stock Markets were mixed in light trading yesterday. The Industrial Share Index shed 0.42 to 189.36, Western Index 0.40 to 186.98 and Banks lost 0.73 to 273.53. Golds moved up 7.34 to 390.29. Base Metals rose.

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PARIS—Again broadly higher in active trading. The lowering of the Call Money rate to 7 per cent, from 7 1/2 per cent, provided a positive element.

All sections finished ahead, with the exception of Chemicals, which ended generally mixed.

Foreign issues were mostly firm, although Italians and Coppers slipped.

BASELS—Mixed in moderate trading.

Steels were irregular. Arbed rose Frs.45 to 4.03 but Cockerill fell Frs.6 to 1.072. Gains predominated in Metals. Union declined.

U.S. shares were higher. General Motors rose Frs.10 to 2.030, ITT Frs.10 to 2.14, Boeing Frs.10 to 1.118, IBM Frs.60 to 7.810, Union Carbide Frs.40 to 2.335 and Westinghouse Frs.4 to 7.00.

SWITZERLAND—Mixed in quiet trading.

Banks and Insurances were steady. Industrials mixed. Chemicals firm, while Financials declined.

Buehrle Oilkorn fell Frs.25 to 1.175 and Swiss Air Bearer Frs.45 to 4.15, but Motor Columbus rose Frs.10 to 1.90.

Among foreign shares, Dollar stocks were somewhat firmer. Dutch issues steady, while Germans were markedly higher.

GERMANY—Generally firm on increased institutional demand.

Leading Banks generally rose, headed by Dresdner's Dm.2.90 gain at 24.45. Deutsche picked up Dm.50 to 28.45 in Stores.

In Steels, Mannesmann gained Dm.2 to 27.55. Bayer rose Dm.1 to 11.63 in leading Chemicals. Offerings on the Bond Market increased slightly and the Remuneration Bank took a nominal Dm. 50m. of stock, after Dm.11m. yesterday.

Public issues were again little changed. Mark Foreign Loans eased slightly.

AMSTERDAM—Slightly higher. Philips rose Frs.70 to 7.00, Royal Dutch Frs.40 and Unilever Frs.60.

In Banks trading was suspended in Algemeen Bank Nederland and Bank Mees en Hope shares due to the international aspects and the announcement of a possible close operation. Other Bank shares firm.

MILAN—All sectors showed a downward trend attributed to expectations of a worsening in the economic situation.

Government Emergency Aids should be approved this week, were expected to have little effect in the short-term.

OSLO—Bankings and Industrials were firmer. Insurances steady, while Shippings were lower.

VIENNA—Mainly firmer in restricted trading volume.

COPENHAGEN—Generally slightly higher in moderate dealing.

HONG KONG—Prices eased in decreased trading.

Hong Kong Bank were down 2 1/2 cents to \$213.20, Hutchison 5 cents to 1.93, Jardines 10 cents to 22.30, Hong Kong Electric 20 cents to 3.70, and China Light 20 cents to 3.70.

MANAGERS—Gold shares were firm but off the top towards the close. Some London interest was noted.

Elsewhere, the market was fairly quiet. Platinums were mixed and Coppers little changed.

Industrials were mostly lower. TOKYO—Early losses were reversed and the market closed firm on institutional demand.

Volume 90m. (65m.) shares.

Motors advanced led by Toyota, up 1/2 cent at \$4.60 and demand spread to Light Electricals, Pharmaceuticals, Shippings and Constructions.

Cotton and Textile Mills also gained, group, with demand welcomed a rise in the Commodity Index and a recovery in the Raw Cotton Market.

AUSTRALIA—Markets firmed on renewed buying following news that there may be a resumption of operations for the collapsed firm of stockbrokers, Patrick Partners.

Pancontinental jumped 60 cents to \$42.10 while BHP rose 20 cents to \$47.10.

SAATZ put on 6 cents to \$4.98, it raised its copper price.

EUROPE

Belgium 108.37 107.32 111.1 2000

Denmark 80.6 80.6 80.6 80.6

France 67.1 66.5 66.5 66.5

Germany 112.9 62.3 62.3 62.3

Holland 100.1 100.1 100.1 100.1

Italy 21.36 21.36 21.36 21.36

Spain 96.56 96.56 96.56 96.56

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STOCK EXCHANGE REPORT

Markets move narrowly in extremely quiet trading
Index eases 2.7 to 291.8—Golds remain firm

Account Dealing Dates

Option

*First Declara- Last Account
Dealings tions Dealings Day
July 15 July 25 Aug. 5
July 28 Aug. 7 Aug. 8 Aug. 19
Aug. 11 Aug. 20 Aug. 21 Sep. 2

"New time" dealings may take place
from 9.30 a.m. to 10.30 a.m. on
the first business day after the
close of the market.

After a firm start, leading
equities turned reactionary yester-
day in line with the uncer-
tainty which developed in British
Funds which had recently been
providing a firm lead. Overall,
however, trading conditions
remained lethargic, official mark-
ings continuing stubbornly low
at 4.733.

Despite the general thinking
that recent increases in interest
rates were a short-term emer-
gency move, news of the latest
rise in U.S. Treasury Bill rates
served to undermine gilt-edged
securities. Although prices were
closing above the day's worst,
falls at the end ranged to 1/2%
for the shorts, while medium and
long were anything from 1/4 to 3/8
lower. The Government Security
index, at 60.83, gave up 0.26
of Monday's 0.60 rise.

The initial firmness in interest
equities quickly dissolved with
the lower opening to gilts. Talk
of a poor interim statement from
British-American Tobacco, also
acted as a depressant, while news
of the coup in Nigeria adversely
affected companies with interests
in that country. Although "Bats"
prices turned out to be better
than the market anticipated they
failed to achieve a steady in-
fluence except in the price of
"Bats" which ended only 1/4 down
at 291.8, after having been 25p
in front of the news.

The FT 30-share index, which
was 0.9 up at 10 a.m., ended a
net 2.7 down at 291.8, while falls

led rises in FT-quoted Industrials

by nearly 2-1.

Gilt fluctuate

tuned volatile

following the strength of the past

two trading days. Opening senti-

ment was firm enough and very

soon gains extending to 1/2% be-

gan to appear at the longer end.

However, rumours concerning

discount house short-term borrow-

ing in money markets, later

proved to be untrue, reversed the

trend. Loose holders were

shaken out as losses ranging to

1/2% appeared at both ends of the

market but these were finally

reduced to 1/4 or 1/2. Low-coupon

bills were underpinned by the

indication that the Government

broker was no longer prepared to

supply stock of Treasury 3 per

cent, 1977, "A" at 87 1/2. On the

other hand, the short "cap,"

Treasury 9 1/2 per cent, 1980, was

lowered in an attempt to find a

realistic trading level and closed

with an exceptional fall of a point

at 92 1/2.

A drift lower in the investment

currency premium was reversed

late by a sporadic demand which

took the rate from 84 to 85 1/2

per cent, for a net rise on the day

of a point. Yesterday's SE conversion

factor was 0.6489 (0.6434).

Dealings commenced yesterday

in Brazilian Investments depen-

dary shares, which opened and

closed at the placing price of

50/100.

Banks easier

The odd small offering in a

market lacking any fresh small

made for a dull day in the big

four banks. Midland led the

retreat, falling 5 to 232 1/2, while

Barclays, the last to report inter-

immediate results, ended 5 1/2

higher to 140p. Else-

where, with the exception of

Nations, which fell 1/2 to 140p,

all banks closed narrowly

higher. Overseas issues tended

irregular following a reduced

91p.

Mixed. Standard and Chartered,

455p, and National Bank of

Australia, 218p, both declined 5

and Hong Kong and Shanghai

gave up 4 to 200p. Australia and

New Zealand, however, firm 6

to 235p. Algemeine Bank Neder-

land, 554, was suspended at the

company's request pending a

further announcement about the

talks with Mees and Hope. After

the recent Press-inspired

profit-taking, AT&T "A" and

Ulster "A" both closing a

penny cheaper at 57p and 25p

respectively. Glasgow Pavilion

was marked down 50 to 175p on

the disappointing interim report.

Marks and Spencer dull

Stores made a drab showing.

Marks and Spencer came under

fresh selling pressure, falling to

93p before rallying to close 3

easier on the day at 93p. Among

secondary issues, Blackman and

Conrad hardened 2 to 13p in re-

sponse to the better-than-expected

half-yearly report. B. P. made

1p, and Lloyds Bank 1/2p, put

on 4 to 57p, while fresh small

offerings followed a light

trade, while easier Shoes had an

isolated firm spot in Strong and

Fisher, 2 higher at 40p.

Electricals led a reversal

of Monday's firm trend, prices

easing in very quiet trading after

a firm start. Net losses of 3 were

recorded in GEC, 119p, after 25p

of support left Sun Alliance 7 off

at 380p and Pearl 6 lower at 188p.

"Royals" however, ended a penny

better at 360p, after 200p.

Breweries experienced slack

trading but managed to edge

higher in places. Burtonwood

closed 1/2p, while new small

buying on hopes that Eldermann

Lines will soon announce bid

terms helped J. W. Cameron

hardened 2 more to 122p. Else-

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trade, while easier Shoes had an

isolated firm spot in Strong and

Fisher, 2 higher at 40p.

Electricals led a reversal

of Monday's firm trend, prices

easing in very quiet trading after

a firm start. Net losses of 3 were

recorded in GEC, 119p, after 25p

of support left Sun Alliance 7 off

at 380p and Pearl 6 lower at 188p.

"Royals" however, ended a penny

better at 360p, after 200p.

Breweries experienced slack

trading but managed to edge

higher in places. Burtonwood

closed 1/2p, while new small

buying on hopes that Eldermann

Lines will soon announce bid

terms helped J. W. Cameron

hardened 2 more to 122p. Else-

where, with the exception of

AUTHORISED UNIT TRUSTS

[illegible]

REGIONAL MARKETS

[illegible]

KREDIETBANK S.A.
LUXEMBOURGEOISE INFORMS:

On January 18th 1974 the French Authorities announced that they would no longer intervene in the Foreign Exchange Market to hold the rate between the Franc and the currencies within the predetermined margins of fluctuation. The official parity of the Franc has not been changed.

The French Authorities have decided that as from July 10th 1975 the Franc will be fixed within the margins of fluctuation authorised by the EEC Council of Ministers. In other words the Franc will have returned to the European Monetary "Snake". From this date the French Franc will be used as a reference currency for all loans in EEC units of account issued after January 1st 1972. The ratio between the EEC units of account and the French Franc is UC 1 = FF 5.5419.

Luxembourg—July 1975.

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Albany Life Assurance Co. Ltd. 91, Old Burlington St., W.1. Equity Acc. 11.0 11.0 Res. 11.0 11.0 Property Acc. 11.0 11.0 Collective Fund 11.0 11.0 Conversion 11.0 11.0 Widows Fund 11.0 11.0 Pension Schemes 11.0 11.0 Pensions Managed 11.0 11.0	The City of Westminster Assur. Soc. v Ringwood House, 5, White Horse Road. First Unit July 1 71.1 74.8 Paid Unit July 1 55.8 67.3	Harvest Assurance Group v 40, Church St., Middlesbrough, Cumbria. Managed Fund 11.0 11.0 Property Acc. 11.0 11.0 Pension Schemes 11.0 11.0 Pensions Managed 11.0 11.0	Life Assur. Co. of Pennsylvania 45 Grosvenor Way, Wmby, Mx. HA9 0NS Equity Acc. 25.0 25.0 Res. 25.0 25.0 Property Acc. 25.0 25.0 Collective Fund 25.0 25.0 Conversion 25.0 25.0 Widows Fund 25.0 25.0 Pension Schemes 25.0 25.0 Pensions Managed 25.0 25.0	Phoenix Assurance Co. Ltd. 11, Westminister Bridge Road, London, W.C.2 Equity Acc. 11.0 11.0 Res. 11.0 11.0 Property Acc. 11.0 11.0 Collective Fund 11.0 11.0 Conversion 11.0 11.0 Widows Fund 11.0 11.0 Pension Schemes 11.0 11.0 Pensions Managed 11.0 11.0	Target Life Assurance Co. Ltd. Target House, Gatehouse Rd., Aylesbury, Bucks. Equity Acc. 11.0 11.0 Res. 11.0 11.0 Property Acc. 11.0 11.0 Collective Fund 11.0 11.0 Conversion 11.0 11.0 Widows Fund 11.0 11.0 Pension Schemes 11.0 11.0 Pensions Managed 11.0 11.0
AMEV Life Assurance Co. 3, Pavilion Bldg., Brighton. Total Managed 110.1 112.1	Second Managed Fund v Performance July 1 110.1 112.1 6 Years July 1 110.1 112.1	Hearts of Oak Benefit Society Boston Road, London, NW1 Hearts of Oak 11.0 11.0	Lloyds Life Assurance v 615, Leadenhall St., EC3A 7L5 Equity Acc. 11.0 11.0 Res. 11.0 11.0 Property Acc. 11.0 11.0 Collective Fund 11.0 11.0 Conversion 11.0 11.0 Widows Fund 11.0 11.0 Pension Schemes 11.0 11.0 Pensions Managed 11.0 11.0	Transatlantic Life Ins. Co. Ltd. 2, Strand, Bldg. London EC4A 1W, 01-495 6407. Equity Acc. 11.0 11.0 Res. 11.0 11.0 Property Acc. 11.0 11.0 Collective Fund 11.0 11.0 Conversion 11.0 11.0 Widows Fund 11.0 11.0 Pension Schemes 11.0 11.0 Pensions Managed 11.0 11.0	Tyden Life Assurance Co. Ltd. v Tyden House, Gloucester Equity Acc. 11.0 11.0 Res. 11.0 11.0 Property Acc. 11.0 11.0 Collective Fund 11.0 11.0 Conversion 11.0 11.0 Widows Fund 11.0 11.0 Pension Schemes 11.0 11.0 Pensions Managed 11.0 11.0
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Barnes Life Assur. Co. Ltd. 32, Bedford Rd., E.7. Equity Acc. 11.0 11.0 Res. 11.0 11.0 Property Acc. 11.0 11.0 Collective Fund 11.0 11.0 Conversion 11.0 11.0 Widows Fund 11.0 11.0 Pension Schemes 11.0 11.0 Pensions Managed 11.0 11.0	Cornhill Insurance Co. Ltd. v St. Cornhill, E.C.4. Equity Acc. 11.0 11.0 Res. 11.0 11.0 Property Acc. 11.0 11.0 Collective Fund 11.0 11.0 Conversion 11.0 11.0 Widows Fund 11.0 11.0 Pension Schemes 11.0 11.0 Pensions Managed 11.0 11.0	Crecent Life Ass. Co. Ltd. Raywick Sts. Mohnd. Bldg. Mohnd. 30203 Cres. Prud. Ins. Co. Ltd. 54.4 -2.8	Investment Annuity Life Assur. v 10, Abchurch Lane, London, E.C.4. Equity Acc. 11.0 11.0 Res. 11.0 11.0 Property Acc. 11.0 11.0 Collective Fund 11.0 11.0 Conversion 11.0 11.0 Widows Fund 11.0 11.0 Pension Schemes 11.0 11.0 Pensions Managed 11.0 11.0	Marshall Investors Assurance v 125, High Street, Croydon. Equity Acc. 11.0 11.0 Res. 11.0 11.0 Property Acc. 11.0 11.0 Collective Fund 11.0 11.0 Conversion 11.0 11.0 Widows Fund 11.0 11.0 Pension Schemes 11.0 11.0 Pensions Managed 11.0 11.0	Mutual Life Insur. Co. (U.K.) Ltd. v P.O. Box 20, Boreham, Essex SS10 1P. Mutual Life Ins. Co. Ltd. 24.9
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OFFSHORE AND OVERSEAS FUNDS

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Pan Am loses legal bid to pay travel agents more

BY ARTHUR SANDLES

PAN AMERICAN World Airways has lost its legal fight to pay higher commission rates to retail travel agents than it pays to travel agencies.

Three Appeal Court judges yesterday said Mr. Peter Shore, the Trade Secretary, was within his rights in forbidding the Pan Am move.

In doing so the Court overruled a decision of Mr. Justice Donaldson in the High Court two months ago. He had said that the Trade Secretary could not stop Pan Am paying more than the usual 7.5 per cent. commission.

The airline was planning to pay a 3 per cent. incentive bonus on top of the previous 7 per cent. level.

Behind the Pan Am decision to increase commission lies a world-wide airline depression, a situation from which airlines are nationally over the low level of commission, and the development of the sale of discount

tickets. It is hardly a secret that some airlines in some countries pay large commissions under the counter. It is difficult for the counter. It is difficult for the counter. It is difficult for the counter.

When Pan Am challenged the British Government's right to interfere with its decision to break international airline agreements and openly pay higher commissions in Britain as well as elsewhere, the dispute rapidly reached diplomatic level. Britain threatened to withdraw Pan Am's operating rights, and there were suggestions that if that happened, the U.S. might do the same to a British airline in reprisal.

Pan Am was refused leave to appeal to the House of Lords against yesterday's ruling. Lord Justice Lawton and Lord Justice Scarman agreed with Lord Denning, Master of the Rolls, that the Trade Secretary's appeal be allowed with costs.

"It seems to me plain," said Lord Denning, "that the Secretary of State can impose conditions, and there are no restrictions whatever on the conditions he may impose."

"They must be relevant conditions and he must act honestly in making them; otherwise there is no restriction on him."

But the thorniest result of the ruling is that it appears to confirm the Secretary of State's view that he can decide what commission rate should be paid by airlines selling tickets anywhere in the world for flights into London. Thus, in theory, Pan Am, or any other airline, would not be allowed to pay higher commission in the U.S. for flights to Britain.

This extra-territorial claim has already provoked irritation in the U.S. and is likely to produce more now.

Since the Pan Am move, air-

lines the world over have broken the 7.5 per cent. barrier and it will be interesting to see what the Trade Secretary does to enforce his view. It is unlikely that the airline will be able to withdraw the additional commission without reaction from the retail agents.

Agents in the U.S. might be tempted, for example, to route clients to Paris or Brussels as a European gateway if they thought they would get higher commission than by sending them via London.

At the moment, several airlines pay a 3 per cent. or cash bonus. (In Pan Am's case it is for sales over 90 per cent. of last year's levels.) They include Aeroflot, Alitalia, Swissair, Lufthansa, Air France, and KLM. Perhaps most awkward of all is the fact that British Airways also pays an over-riding commission.

Fed chief warns of expansion risks

BY ADRIAN DICKS

WASHINGTON, July 28. Against a background of fresh evidence that the U.S. economy is now on recovery course, the chairman of the Federal Reserve Board, Dr. Arthur Burns, today warned of the danger that too great an expansion might set off a new round of inflation. He promised that the Fed would continue to control the increase in the money supply tightly.

The latest sign of the upturn in activity came from the index of leading economic indicators, which rose 1.9 per cent. in June—the fourth month running that it has moved higher, following the long downward slide from last autumn. Of the nine indicators available for last month, all showed improvement except for contracts and orders for plant and equipment.

Dr. Burns, in his regular half-yearly assessment of the economy to the joint economic committee of Congress, expressed satisfaction at the strength of the U.S. external position and said he was pleased to see the dollar "re-establishing itself as the strongest currency in the world."

He made a vigorous defence of the Fed's refusal to boost the money supply in recent months, and predicted that at the present pace of recovery, unemployment might decline from 9 per cent. to 7 per cent. by the third quarter of 1976.

Dr. Burns said that while the narrowly defined money stock of the U.S., M-1, has increased at an annual rate of only 5 per cent. during the end of the third quarter of 1974 and the end of the second quarter of 1975, the more broadly defined M-3 (including consumer-type deposits and savings and loan institutions in addition to currency and checking accounts) had increased at an annual rate of 9 per cent. during the same period.

Dr. Burns did not give a precise forecast of the rate of recovery, but he stressed that in past business cycles, sharp declines in economic activity such as had occurred in the past year had been followed by equally brisk upturns.

The Treasury announced yesterday that the deficit for the fiscal year 1975, which ended on June 30, had reached \$44.2 billion—the highest since World War Two.

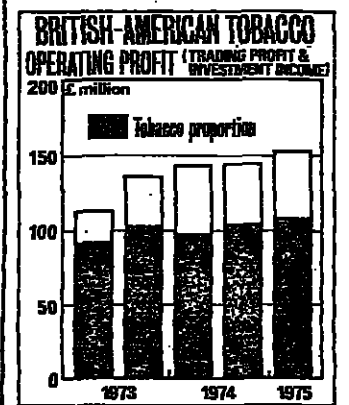
Dr. Burns urged Congress to turn its attention to the structural factors underlying inflation—a theme that President Ford stressed in a number of speeches last autumn but has allowed subsequently to lapse.

THE LEX COLUMN

BAT looking for momentum

Index fell 2.7 to 291.8

British-American Tobacco has been on a profits plateau since mid-1973 and its pre-tax profits for the six months to the end of March have emerged virtually unchanged at £125.9m. Tobacco was the only division to report a significant advance—nearly a tenth at the operating level—and the U.S. contribution was "substantially higher" following a price rise last November. This is in line with the experience of other big U.S. tobacco groups such as Philip Morris, which has recently disclosed an 18.5 per cent. rise in earnings for the first half of calendar



1975. BAT has, however, had a fairly flat volume of sales in the U.S. and suffered a "fractional" fall in market share, possibly because it has a big stake via its "Kool" brand, in a section of the market which has been most affected by the recession. Elsewhere, Souza Cruz in Brazil shows no signs of losing momentum, though there was a further setback in Germany where the long-awaited price increase did not come through until May.

Some of the non-tobacco interests, under 30 per cent. of the operating total, performed slightly better than expected. This applies especially to retailing where there was a drop of only £800,000 to £13.8m. Both Gimbels and Kohl achieved "some improvement," though the former is still not covering its financing costs, and the profitability of International Stores in the U.K. continued to decline. The paper division somewhat surprisingly, managed a small advance—partly because of the sustained demand for the photographic paper and stationery products. But the slight gain in overall operating profits was clipped back at the pre-tax level by a near £8m. jump in interest charges to

and part of the answer is the general downturn in the capital goods cycle.

Following its forecast of increased profits, Fairway has produced a rise of 11 per cent. to £2.91m. before tax. But stippling out £670,000 of property realisations and a credit for early settlement of the Dungeness "B" liability reduces the 1973-74 figure to around £1.94m. The engineering division is down from 50 per cent. to 45 per cent. of published profits—before interest—with margins coming under pressure, but aviation has pushed up its contribution from just over a quarter to more than a third. Among the lesser divisions, industrial products have performed well thanks to a boom in valves and recovery flows elimination elsewhere.

In aviation volume growth last year was about 10 per cent. and margins widened sharply under the influence of the extra throughput. Engineering has some big orders in medium girder bridges to help out this year—turnover here could double to £10m. for 1975-76—but weak patches of demand are appearing in other areas.

The interest charge now up to over £1m. indicates some pressures; but the group is going to face a sub-normal tax charge for another year at least. And cover for a 6.8 per cent. yield is still well over three times even at normal tax rates.

Overseas earners

BAT's uninspiring half-year figures underline a point already made rather more forcibly by Unilever and Distillers: the fact that a company has major sources of earnings overseas does not automatically make it a growth situation. In the period leading up to the market peak in June, an overseas tag was often enough in itself to produce marked relative share price strength. The fashion seems to be moderating now, and it has been possible to lose quite a little packet in the likes of Distillers, English China, or Lonrho in recent weeks. Among the few groups to show consistent strength are the oil majors—and of course their pending figures will be nothing to shout about, either.

Fairey

Fairey's aviation operations are still expanding fast, and by excluding the previous year's non-trading credits it is possible for some very fancy growth rates to be applied to overall group profits. But the shares were unmoved at 57p yesterday the news.

Redundancy notice threat at Observer

By John Wyles, Labour Reporter

MANAGEMENT AT THE Observer newspaper yesterday threatened to issue redundancy notices next Monday unless a 30 per cent. cut in Manning is accepted by print unions by the end of this week.

In confidential letters to the general secretaries of the main printing unions, Mr. Tristan Jones, the Observer's general manager, warned that there was "little time in which to handle the hemorrhage of funds we are suffering at the moment."

If the total number of volunteers for redundancy still falls short of the company's needs by the August 3 deadline then the Observer will be forced on the following day to inform "the required number of our employees that their services are no longer required," says the letter.

The strong threat contrasts with the guarded optimism of a statement issued by the Observer on Monday saying that it believed its problems could well be resolved by the end of this week.

Management's hopes are apparently based on the response to the redundancy appeal from some union chapels (office branches) notably the journalists and clerical members of the National Society of Operative Printers, Graphic and Media Personnel (Natsona) and the belief that members of the other printing chapels will fall in line by the end of the week.

The warning of redundancy may be intended to speed this process but some union leaders believed last night that it could well stiffen resistance, particularly in the Natsona machine chapel where management wants to cut the 180-strong work-force by 46 per cent.

Mr. Arthur Davis, Natsona's assistant general secretary, said yesterday that management's "take it or leave it attitude" was not helping the situation. The unions were doing their best to help the newspaper short of actually forcing their members to give up their jobs.

But the National Graphical Association was less gloomy and predicted last night that it would come to an agreement with the company by the end of the week.

Talks yesterday between the Birmingham Post and Mail and the National Union of Journalists over a pay dispute which has led to the dismissal of 200 journalists produced "virtually no news," said Mr. Ken Morgan, NUJ general secretary.

Newman holders ratify TPG assets takeover

BY NICHOLAS LESLIE

THE controversial takeover by Newman Industries, the electric motor specialists, of certain assets owned by Thomas Poulter and Gladstone China was yesterday ratified by Newman shareholders despite last-minute attempts by Prudential Assurance to have consideration of the proposals further deferred.

The Prudential wanted the meeting in Bristol adjourned again to allow time for J. Henry Schroder Wagg—appointed as independent advisers by the Newman Board following pressure from the Prudential—to complete a report on the purchase.

However, the call for an adjournment was defeated on a poll vote, although the precise result of the vote has yet to be announced.

On Monday, the Prudential failed to get a High Court injunction to restrain Newman directors from putting resolutions at yesterday's meeting following the chairman of both Newman and TPG, on Friday to agree to a further adjournment.

The resolutions involved, first, Newman buying from TPG shareholdings in four quoted companies—Aar Cross (22 per cent.), Metropolitan Industries (29.9 per cent.), Dover Engineering (20.8 per cent.), and Alfred Cough (33.9 per cent.)—together with certain other investments.

and second, the purchase from Strongpoint of a 19.8 per cent. holding in TPG.

Strongpoint is a private company owned by Mr. Bartlett and Mr. J. K. "Jack" Laughton, deputy chairman of both Newman and TPG.

While the first resolution was approved on a show of hands, a subsequent poll vote (where again the figures have yet to be announced) demanded by Mr. Christopher Worthington, chief legal adviser to the Prudential, consideration of the Strongpoint deal was adjourned until further notice while both parties take further advice.

After the meeting, Mr. Worthington said: "We will review the situation when the result of the polls are known." The Prudential has been opposing ratification of the TPG deal because, following the emergence on July 4 of Mr. Angus Murray as the sole Newman director opposing the proposals, it felt more information was available in reasonable time for a meeting was not very high.

He also maintained that uncertainty was damaging to Newman.

The Judge's ruling was justification of the attitude of the majority of the Board, he said.

When seeking an adjournment, Mr. Whitehorn also unsuccessfully pressed for Schroder Wagg to be allowed to explain why it could not complete its report within three weeks, his request being met with a comment from Mr. Bartlett: "No sir."

After Mr. Bartlett had told the meeting there were sufficient proxies to defeat the adjournment call, Mr. E. P. Hatchett, joint secretary and investment manager of the Prudential, outlined the reasons for his company's actions and said that but for Mr. Murray's opposition, which brought latent doubts in some shareholders' minds to the fore, the Prudential might have some 5 per cent. of Newman's shares—would have agreed to the deal.

An attempt to allow Mr. Murray to address the meeting before the voting took place was blocked by Mr. Bartlett, and shareholders subsequently voted against his speaking.

At a subsequent meeting of TPG shareholders approved the sale of the assets to Newman. A point that remains unclear is whether Schroder Wagg will now complete its report. A meeting of the remaining Newman shareholders is expected to be held later this week.

Haw Par probe in Singapore

BY MARGARET REID

MR. HON SUI SEN, Singapore's Finance Minister, told the country's Parliament yesterday that he had ordered an inquiry into the affairs of Haw Par Brothers International because preliminary investigations suggested serious wrongdoing by some of the company's officers.

Haw Par is the Singapore-based concern whose £25m. plan for a link with the Malaysian state-controlled Permas Securities has run into major difficulties. The chairman, Mr. James Gammell, the managing director, Mr. Donald Ogilvy Watson, and the deputy managing director, Mr. Ian Hargrave, recently resigned, saying that certain rulings and requirements of the

Singapore authorities had so far made it impossible for the deal to proceed.

In his speech to Parliament yesterday, the Minister stressed that the Singapore authorities' attitude to Haw Par was not aimed at frustrating Malaysia's desire to control its own natural resources.

After noting that the Singapore Securities Industry Council had last month ruled against the proposed Haw Par-Permas deal, Mr. Sen remarked that, if the proposals were formally withdrawn, it was possible that new and suitable alternative proposals could be submitted for consultation and consideration.

The Minister said that the present investigation into Haw Par's affairs had been occasioned by information received which "strongly suggested that there might have been misapplication of company funds in the past."

Irregularities

The information, he added, was about transactions which took place during the period of the planned deal with Permas. "Preliminary investigations tended to confirm the suspicion that there may have been serious wrongdoing on the part of some of the company's officers," he said.

Mr. Sen stated that among the main reasons for the inquiry were evidence that directors had set up unit trust operations to circumvent provisions of the Companies Act, and that there had been other irregularities or breaches of the Act, including undisclosed share options given to some directors.

A further reason was evidence that the directors had formed a Hong Kong company, Spydar Securities, (Hong Kong), allegedly for the purpose of holding shares for their own benefit.

Referring to the directors who recently resigned, Mr. Sen said that motion papers had been filed in the High Court yesterday and content proceedings would be heard if these directors did not turn up as witnesses.

Miss Sylvia Tan Huan Tin, secretary to Mr. Ronald Brand, one of the remaining Haw Par directors, was yesterday charged under section 206 (1) of the Singapore Companies Act. This is a section which relates to the concealment of the company's affairs by a Government investigation by attempting to destroy, conceal or send out of Singapore relevant documents. She pleaded not guilty.

Further details, Page 19

Crosland faces trouble over 'Clay Cross' Bill

BY JOHN BOURNE, LOBBY EDITOR

MR. ANTHONY CROSLAND, Secretary for the Environment, expects difficulties to-night at a meeting of the Parliamentary Labour Party over his new attitude towards the "Clay Cross" Bill.

Mr. Crosland's main aim of lifting the five-year disqualification for election to local authorities of over 300 councillors who refuse to pay personal surcharges for refusing to implement the rent increases laid down in the Conservatives' 1972 Housing Act.

Mr. Lena Jeger, a member of Labour's National Executive, will urge MPs to-night to resolve that the Government should remove all amendments made by the Lords to Mr. Crosland's Housing Finance (Special Provisions) Bill.

Mr. Crosland thinks the Government would stand a better chance of getting the legislation through without a major constitutional confrontation with the peers if it concentrated on deleting three of the Lords' amendments but left in the fourth—the one which reimposes the "election disqualification."

Although he thinks the dis-

qualification issue does not really matter for most councillors now that the 1972 Housing Finance Act has been repealed, he is expected to say that he will accept the decision of the PLP. Mr. Crosland is convinced the Commons must remove the other three Lords' amendments if the Bill is not to be completely wrecked. These amendments are—

To give the courts power to order any surcharged councillor to pay the council up to £1,000 of any loss on the housing account for which his decision was responsible, and to disqualify him from being a councillor for five years if this expenditure or loss exceeds £2,000.

To oblige councils, or their successors, to recover the increased rents which councils "lost" through refusing to carry out the 1972 Act, by increasing the rents of those particular houses.

To remove councils' options under the original Bill of charging the "lost rents" to the general rate fund.

Weather

U.K. TO-DAY

MAINLY dry. Hot in S. England and S. Wales.
London, E. and W. Midlands, Central N. England, Dry, sunny periods. Wind light and variable. Max. 28C (82F).

S.E. and Central S. England, E. Anglia, S. Wales, Dry, sunny periods. Wind light and variable. Moderate sea breezes. Max. 26C (79F) but cooler near coasts.

N. Wales, N.W. England, Lakes, Isle of Man, S.W. Scotland, Mainly cloudy with sun, with bright patches at first, mainly periods developing in inland W. W. (high). Max. 21C (70F), cooler near coasts.

BUSINESS CENTRES

Value mid-day 1 day mid-day

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Frankfurt 4.24 24.00
Paris 4.24 24.00
Brussels 4.24 24.00
Luxembourg 4.24 24.00
Zurich 4.24 24.00
Bern 4.24 24.00
Geneva 4.24 24.00
Basel 4.24 24.00
Munich 4.24 24.00
Cologne 4.24 24.00
Düsseldorf 4.24 24.00
Hamburg 4.24 24.00
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Heidelberg 4.24 24.00
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Stuttgart 4.24 24.00
Mannheim 4.24 24.00
Karlsruhe 4.24 24.00
Heidelberg 4.24 24.00

HOLIDAY RESORTS

Value mid-day 1 day mid-day

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Luxembourg 4.24 24.00
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Karlsruhe 4.24 24.00
Heidelberg 4.24 24.00

Continued from Page 1

Skytrain: Laker will fight

significantly our share of the revenue.

He added: "Moreover, BCAL's experience on the North Atlantic has clearly shown how difficult it is for a second U.K. airline to compete profitably against established national flag-carriers."

"I have accordingly decided that in future it should be our general policy not to permit competition between U.K. airlines on long-haul scheduled services and therefore not to licence more than one U.K. airline on any given long-haul route."

Commenting on the future of BCAL, Mr. Shore said he was "anxious to retain BCAL as a second centre of airline expertise in the U.K." and to do what he could to help more secure the jobs of the substantial number of workers who depend on BCAL for their livelihood.

The precise details of the policy had still to be worked out, and through the rest of the summer into the autumn there would be further discussions between the airlines on this issue.

The result of these talks would be embodied in the proposed White Paper which would outline any proposed changes to the 1971 Civil Aviation Act that may become necessary. Any legislation would be introduced as soon as possible in the next session of Parliament.

It was not clear yesterday whether the CAA will be expected to implement the Minister's new policy immediately, without waiting for any legislation or directives.

In the light of the statement, however, it is unlikely that any U.K. airline would now make application for new long-haul scheduled routes.

BCAL promised that it would "max the most of the positive aspects of the statement and co-operate to the fullest extent possible consistent with its duties to its shareholders."

Continued from Page 1

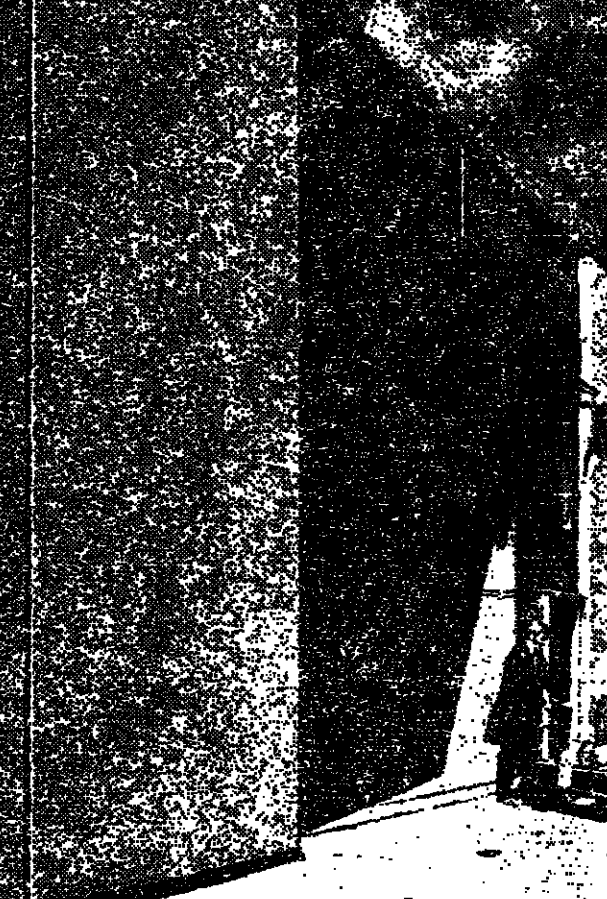
Nigeria

died down and yesterday's news was therefore unexpected.

The only other known name in the coup is the author of the 300-word broadcast, Lt-Col. Joseph Garba, who was until late last year commanding the Brigade of Guards at Dodan Barracks, where General Gowon both lived and worked. Lt-Col. Garba, who is from a minority tribe in the Benue Plateau state, was trained at Britain's Camberley Staff College, and until two months ago was attending a course at the Royal Defence College in London.

Reports from Nigeria last night suggested that Lagos and the main cities were calm. In his broadcast, Lt-Col. Garba advised citizens to "go about their law-abiding duties" but given the endemic traffic congestion in Lagos, the federal capital, he declared that yesterday was to be a "work-free day."

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